

EUROPEAN NEWS

French banks break interest rate tradition

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government's policy of encouraging industrial and commercial competition of which it has been extending to the service industries, seems to have won acceptance from the banking sectors.

Indications of a new policy on the part of the banks have come after the base rate was raised by two private groups, Credit Industriel et Commercial (CIC) and Credit Commercial de France (CCF), earlier this week.

Barre reaches oil accord with Iraq

BY ROBERT MAUTHNER IN PARIS

M. RAYMOND BARRE, the French Prime Minister, has obtained an undertaking that Iraq will supply France with about a third of its oil import requirements from next year onwards.

Mr. Saddam Hussein was reported to have assured M. Barre that France could count on the continuity and security of its oil supplies from Iraq, and that every time France had an oil supply problem Baghdad would help it to find a solution.

Although no new contracts were signed during the visit, Iraq is reported to have agreed to step up its oil deliveries to France from 25m tonnes in 1979 to at least 30m tonnes next year.

France is also prepared to step up its arms deliveries to Iraq, given Baghdad's desire to diversify its arms supplies, a large proportion of which now come from the Soviet Union.

Rupert Cornwell reports on the decision to name a Socialist as Italy's Prime Minister-designate

Pertini offers the politicians a stark choice

PRESIDENT Sandro Pertini's nomination of Sig. Bettino Craxi as the new Italian Prime Minister-designate has offered Italian politicians a stark choice. It is whether to seize the chance for a real transformation of the country's political life or, by rejecting the opportunity, to perpetuate and indeed barden the present deadlock.

The decision, which evidently surprised Sig. Craxi as much as the rest of Rome's cloistered political world, was very much Sig. Pertini's. The 82-year-old President has watched with ill-concealed exasperation as Italy's political parties wearily manoeuvre without success to try and create a stable government.

Italy has been without a government with a parliamentary majority for six months. Although the Communists lost most in last month's general election, neither Christian Democrats nor Socialists increased their authority.

After the entirely predictable failure of Sig. Giulio Andreotti, the outgoing caretaker Premier, to stitch together a new parliamentary majority, Sig. Pertini took full advantage of his constitutional right to call upon whomever he wanted.

Like so many political surprises, his choice, once made public, obeys a considerable, and perhaps unanswerable, logic.

Here one must briefly recapitulate the background to Monday night's announcement. First, the Socialists, whose 82 Assembly seats make their support crucial for any Government, had promised during the election campaign to ensure that the country could be governed afterwards. Second, by their refusal to back Sig. Andreotti, they had ensured his failure—almost certainly that of any other Christian Democrat asked to try next.

Third, the smaller parties (Liberals, Republicans, Social Democrats and Socialists) had urged Sig. Pertini to go for a non-Christian Democrat politician. Fourth, the Socialists had indicated that, even in this situation, they could offer little more than their abstention. Meanwhile the Christian Democrats had made clear that if they were to give up their 34-year grip on the Premiership, the Socialists would have to enter not just the majority but also the Government.

All this gives an idea of the complexity of current Italian politics. Sig. Pertini took the initiative by calling upon Sig. Craxi. In doing so, he has put



President Sandro Pertini, left and Sig. Bettino Craxi, the Prime Minister-designate.

everyone on the spot, not just the Socialists, his own former party. The politicians will have to make clear where they stand, in the knowledge that a further failure of two could precipitate yet another general election, something everyone agrees would be a disaster.

The country urgently needs a Government capable of taking

concrete measures on energy, of holding down inflation and of facing the threat of a new world-wide recession, from which Italy will not be spared. In addition it must tackle chronically inept public administration and an excessive public sector deficit.

success? From the Socialist point of view, midway in the national political spectrum, every option is in theory open to him. But his own social democratic leaning and parliamentary arithmetic make it virtually inconceivable that he will attempt the course of the "left-wing alternative" of a form of popular front—or succeed in bringing the Communists directly into Government. This move would be vetoed by the Christian Democrats, comfortably the largest single party with 262 of the 630 Assembly seats.

A realistic forecast, therefore, must be cautious. Yet the situation is not entirely without hope, if only because of the external pressures on the parties. To succeed, Sig. Craxi must somehow remove the doubts of the three largest parties: Communists, Christian Democrats and Socialists. The problems overlap, and consummate political skill will be required.

At 45, Sig. Craxi is young by Italian political standards, and notable perhaps less for his finesse than for his boldness and energy. It was these qualities above all which helped him to wrest control of the Socialist Party after watched showing in the June 1976 general election. Since then, his position

has been uneasy, as a result of the division between Social Democrats and Socialists which plagues his party. To the discomfort of the latter, Sig. Craxi last summer embarked on an ideological crusade against the Communists to build an independent Socialist image.

Now, however, he first has to assuage the doubts of the left on whether the Socialists would not be digging their own grave by joining, even heading, a Government which allowed the Communists alone to reap the rewards of opposition. This may be possible only if the Communists can be induced to drop their present line of wanting to be either in Government or in opposition, and at least offer abstention to a Socialist administration in which they did not participate.

The debate and uncertainty which are besetting the Communists now, after the stagnant electoral verdict on three years of external support for Christian Democrat Government, make this proposition doubtful. But if the Communists remain aloof, the "alternative" of a Socialist administration would look a lot more similar to the discredited centre-left formula embracing Christian Democrats and Socialists in the 1960s.

Greece and Turkey agree to continue Aegean talks

BY OUR ATHENS CORRESPONDENT

GREECE AND Turkey have agreed to continue talks on Aegean issues. A joint communique issued yesterday after two days of discussions between Mr. Byron Theodoropoulos and Mr. Ozdemir Yigit, secretaries-general of the Greek and Turkish Foreign Ministries, said a fifth round of talks would be held later in Ankara.

The communique said the two sides were convinced that the meetings would lead to progress. The discussions were started by the Prime Ministers of the two countries at a meeting in Montreux in March last year.

However the wording of the latest communique indicated that little if any progress has been made towards resolving disputes which have more than once brought the two states to the brink of war.

under discussion are: division of the Aegean continental shelf between the two countries; re-opening air space which has been closed since the Turkish invasion of Cyprus in 1974; and treatment of minorities in both countries.

The negotiators are also reported to be working on a document, which might include a non-aggression clause.

The Greeks insist that Cyprus is not an issue and the two sides appear to have decided to let Greek and Turkish Cypriots settle their problems separately.

AP-DJ reports from Athens: Flight engineers of Olympic Airways, Greece's national carrier, last night called a four-day strike to protest against the dismissal of four of their colleagues. The four men were dismissed during a previous strike six weeks ago.

Turkish police hold terrorist suspects

By Mehin Mumir in Ankara

THE TURKISH police have arrested a student who has confessed to the most far-reaching political assassination in the country, according to the Turkish newspaper Milliyet. The victim was newspaper editor Mr. Abdi Ipekci, who was often seen as embodying the philosophy of the founding fathers of modern Turkey.

A 22-year-old university student has confessed to the murder, saying he did it to discredit the Government. "I am neither left nor right-wing," the student is quoted as saying in yesterday's Milliyet. But the newspaper claims to have found links between the student and organisations connected with the extreme right-wing Nationalist Action Party of Mr. Alparslan Turkes.

Oil cost will cut German growth

BY TERRY DODSWORTH IN PARIS

THE NEW level of oil prices agreed by OPEC will add about 1 per cent to domestic prices in West Germany over the next 12 months, according to a forecast from the Organisation for Economic Co-operation and Development (OECD) yesterday. In addition, the higher price of energy is expected to reduce the growth of real Gross National Product (GNP) by around the same amount, and reduce the current external surplus by some \$1.75bn.

These adjustments have been made to forecasts given in the latest OECD economic survey of West Germany, published today.

In the original report, written before the OPEC meeting which raised oil prices in June, West Germany's GNP was expected to fall in the first half of 1980. An annual growth rate of 2 per cent is forecast for the second half of this year, but this will fall to 3.25 per cent in the first six months of next year.

The overall growth rate in 1979 is calculated at 3.75 per cent. The original forecasts on prices, now expected to rise faster because of the oil price increases, indicate growth of 3.75 per cent between 1978 and 1979, up from 2.6 per cent in 1978.

A slightly lower rate of increase is forecast for the first half of 1980. Import volumes, in line with Germany's commitment to stimulate trade, are forecast to go up rapidly during 1979, but to slow early next year. Combined with a downward trend in the balance of invisibles, this is expected to lead to a reduction in the current account surplus to about DM 9.5bn (\$2.5bn) this year, compared with DM 16.1bn in 1978.

The report concludes that the

past 12 to 18 months have seen a considerable improvement in Germany's economic performance, and that prospects for continued expansion this year seem favourable.

With continued strong import growth, and a deterioration in the terms of trade, leading to a marked decline in the current account surplus, West Germany is contributing to the adjustment in the international balance of payments, the OECD says.

Protest over East Berlin

MOSCOW — The U.S., Britain and France have formally protested to the Soviet Union over the East German Government's abolition of one of the last symbols of four-power authority in East Berlin, the U.S. embassy said yesterday.

The protest was about a vote by the East German People's Chamber, the Volkskammer, last month to end the appointment of its 66 East Berlin deputies to the East Berlin City council.

allies as the most serious breach to date of the 1971 four-power agreement on Berlin.

The protest also stated that the U.S., Britain and France wished to place clearly on the record that no unilateral decision by East Germany can affect the legal position of Greater Berlin which remains unchanged. AP.

Italy unions attacked

Sig. Guido Carli, the president of the Italian Industrialists Confederation, attacked union demands for shorter working hours yesterday, at a critical stage of negotiations for new three-year labour contracts, AP-DJ reports from Rome.

Advertisement for Banque Bruxelles Lambert showing a globe with various international bank branches listed on it, such as B.B.L. (MILAN), B.B.L. (LONDON), and B.B.L. (PARIS).

Advertisement for Banque Bruxelles Lambert with the headline 'We've got the connections.' and text describing their global banking network and competitive edge.

Large advertisement for Wrexham Maelor Borough Council featuring a black and white photograph of a man and a speech bubble that says 'DON'T GET TIED DOWN, MAKE TRACKS TO WREXHAM'. It includes details about industrial development incentives and contact information for the council.

Handwritten Arabic text at the bottom right of the page.

Handwritten note: 1979/11/15

Veil backed for president despite new opposition

BY ELMOR GOODMAN IN LUXEMBOURG

THE LIBERAL GROUP in the European Parliament yesterday decided to back Mme. Simone Veil, the former Minister of Health in the French Government, as their candidate for the Presidency of the new Parliament. The decision was taken despite signs of opposition to Mme. Veil in some of the parties on the Centre Right of the Parliament, whose support she will need if she is to be elected next week.

The odds are still on Mme. Veil, however, although pressure may be put on Sig. Colombo, the Christian Democrat President in the old Parliament, to stay on.

The European Democratic Group, previously known as the Conservative Group, will probably support Mme. Veil, however. She has been asked to address them this morning. Yesterday their feeling seemed to be against fielding a candidate of their own, even for the first round, but they were unable to agree on backing one particular Liberal.

At the Liberal meeting yesterday afternoon, Mme. Veil got 20 votes to M. Thorn's 16, and will therefore go forward as the candidate.

The opposition to Mme. Veil came to a head at a private meeting of Christian Democrats yesterday. Some Democrats felt that she was too closely associated with a horizon reform for some of the Catholics in the delegation, particularly those from Ireland and Italy. There was also a feeling that she was too closely identified with the policies of President Giscard. Three conditions for supporting the Liberal candidate were put forward, which effectively ruled out Mme. Veil.

The Liberals, the Christian Democrats and the Conservative group in the last Parliament have agreed that it is the Liberals' turn to provide the Presidential candidate, and by voting together, these parties could defeat any other alliance.

Over the past few days some Christian Democrats have suggested that Mme. Veil, who was elected on the Giscardian list and only recently rejoined the Liberal fold, was not the right person for the job.

Instead, they felt the Liberals might do better to put forward M. Gaston Thorn, the former Prime Minister of Luxembourg, though not all the British Tories would have been happy with this choice.

Yesterday also saw the formation of what will almost certainly be the smallest and possibly the shortest-lived of the political groups in the European Parliament. Called the Group for the Technical Co-ordination and Defence of the Independent Groups and Members, it was formed by a band of independent MPs who are united by a general feeling that the big groups ought not to have things entirely their own way.

Tony Hawkins in Salisbury and Martin Dickson in London examine the implications of an end to Britain's Rhodesia sanctions

Zimbabwe's need for peace

A FORECAST by a British Minister five years ago that economic sanctions against Rhodesia were likely to be lifted would have induced euphoria in Salisbury and a flood of British and other businessmen anxious to exploit new economic opportunities. But Mrs. Thatcher's recent prediction that Parliament was unlikely to renew sanctions in November has not so far had this kind of impact.

There are several reasons why this should be so, including doubts whether the Conservatives really will lift sanctions in the face of international hostility and fears that they may demand changes in the Zimbabwe-Rhodesia constitution which could further reduce white morale.

But behind the sober reaction to Mrs. Thatcher's words also lies the knowledge that a lifting of sanctions by Britain may not radically transform the position of the embattled state.

For one thing, it is unlikely that many other states, if any, would follow Britain's lead. Even if they did, the guerrilla war, which is far and away the main problem facing Zimbabwe Rhodesia, would continue and possibly escalate. The economic and political benefits of an end to sanctions are unlikely to be anything like as great now as they would have been a few years ago.

The mechanics of ending sanctions by Britain are simple. Parliament merely has to fail to renew the Orders in Council imposing sanctions which have been introduced every November since 1965.

The mechanics of an end to the mandatory sanctions imposed on Rhodesia by the United Nations at Britain's request are more complicated and could place the British



Bishop Abel Muzorewa, Zimbabwe Rhodesia's Prime Minister

Government in an embarrassing position. Sanctions were applied to Rhodesia under chapter seven of the UN Charter on the grounds that the country was a threat to international peace. Lawyers point out that for them to be lifted it would be necessary for the Security Council to pass a resolution declaring that this threat to peace no longer existed, even though the war in Zimbabwe Rhodesia is being fought at greater intensity than ever before.

It seems certain that the Soviet Government, which backs the Patriotic Front guerrilla movement, would veto any attempt to pass such a resolution. Thus, Britain could find itself acting in defiance of a UN resolution which is introduced in the Security Council. It has been authoritatively estimated that a general lifting

of sanctions would represent a foreign exchange earnings improvement for Zimbabwe Rhodesia of between 15 and 20 per cent, which in money terms probably means about £100m a year. Mining and agricultural exporters—copper, chrome, nickel, asbestos, tobacco, sugar, citrus and beef—would benefit but this has to be set against a darkening international economic situation with depressed demand and prices for many of Zimbabwe Rhodesia's chief exports of industrial raw materials.

Moreover, the physical capacity for increased output and transport of exports does not exist. The war, the exodus of white skills (there has been a net loss of nearly 30,000 whites in the past 18 months), the transport bottleneck (itself partly a result of guerrilla activity), the disruption of agriculture (especially the peasant sector arising from the hostilities) and the call-up which affects all white men aged between 18 and 59 impose a limit on the country's capacity to expand export volumes.

It has always been assumed, in the past, that the lifting of sanctions would spark off heavy international investment in Zimbabwe Rhodesia, including substantial bilateral and multilateral aid flows. But this seems extremely remote under present conditions.

Apart from its impact on the availability of skills, on morale and output throughout the economy, the war is imposing a severe burden on the country's public finances. It is costing more than a million Rhodesian dollars (£875,000) a day and is likely to absorb about 40 per cent of state spending in the next budget.

Thus, Government plans for heavy spending on education, and health facilities and on

Angola states terms for investors

By Quentin Peel in Johannesburg

THE FIRST CLEAR step to bring foreign investors back to Angola has been taken by the Angolan Government with the publication of a new law setting out its attitude towards private foreign capital.

The law, which covers all aspects of economic activity apart from the oil industry, allows for the repatriation of profits, provides guarantees of compensation in the event of nationalisation, and holds out the prospect of exemption from tax and from customs duties.

It follows a policy speech by President Agostinho Neto at the anniversary celebrations of the ruling Popular Movement for the Liberation of Angola (MPLA) in December. He declared that friendly relations could be established with non-socialist countries and private enterprise could be allowed to operate within the country.

A major provision of the new law is that projects must be framed in terms of the country's national development plan. The Government would retain control over accounts and personnel training programmes. Foreign capital may not be invested in certain strategic areas of state control, such as defence, banking, insurance, telecommunications, electricity and water supply. A normal time-scale of 10 to 15 years would be put on investment projects. Details were broadcast by Radio Luanda.

According to the broadcast, both joint companies and wholly owned enterprises will be allowed to operate, the latter in areas of export production and import substitution. Joint companies would normally be 51 per cent Government-owned, although a lower Government stake could be negotiated in situations of "recognised national interest."

French economy slowing down

BY ROBERT MAUTHNER IN PARIS

THE FRENCH economy, which seemed set for a consumer and export led boom forward at the end of last year, entered a much less buoyant phase in the second quarter of this year, according to the latest study by the Patronat (French employers' federation).

During the past few months, demand for consumer and capital goods has flagged, and industrial investment remains at a low ebb. With the exception of the computer and electronic industries, order books are thinning out, and stocks are generally considered to be too large.

The sharp increase in oil prices since the beginning of the year, which has undermined export prospects, and increased inflation, has been a main reason for the hesitant investment climate. Another factor has been the continued financial fragility of French companies.

According to the Patronat, the more rapid growth of company profits in 1978 and the beginning of this year has been sufficient only to reduce indebtedness and the growth of financial charges. But it has not been enough to spark off a genuine resumption of investments.

The slowdown in consumer demand is attributed by the employers' federation to higher savings by households, the rise in social security contributions since the beginning of the year, and accelerated price rises.

The Patronat nevertheless considers that the French economy is better prepared than it was five years ago to face the problems caused by the increase in oil prices, thanks to the recent fundamental restructuring of key industries and the progressive modernisation of industrial plants.

The employers' federation, which foresees no real recession either in France or the industrialised world as a whole, nevertheless emphasises that continued expansion depends more than ever on the reinforcement of the competitiveness of French industries. That, in turn, implies that industry should not be made to bear the full burden of the increased oil bill, and that wage and salary increases should be strictly limited.

Spanish pact on industrial rights

BY DAVID GARDNER IN MADRID

SPANISH EMPLOYERS and Spain's second-largest trade union, the Socialist Union General de Trabajadores (UGT), yesterday signed an agreement defining the rights of both sides of industry. This is the first such agreement since the recognition of free trade unions in 1977.

Meanwhile, the Communist-led Confederacion Obrera (CCOO), the largest union, has called a national stoppage today in an attempt to make the Government modify the labour legislation it will soon put before Parliament. The CCOO is not a party to yesterday's agreement.

The CCOO move casts doubt on the usefulness of the agreement between the UGT and the Confederacion Espanola de Organizaciones Empresariales (CEOE), the Spanish equivalent of the CBI.

The agreement defines the rights which workers and employers are prepared to concede each other, described by both sides as "the rules of the game." It also tackles two of the most difficult problems in Spanish labour relations: the "laudo" system, and whether this year's salaries are to be realigned with the consumer price index.

The "laudo" is a system of compulsory government arbitration inherited from Franco, which has become a target for bitter union hostility. The agreement states that "laudos" will be invoked only in "cases of public interest."

On salaries, the agreement forgoes the renegotiation of wage agreements envisaged in last December's decree limiting this year's wage rises to 11-14 per cent, subject to revision if the consumer price index exceeded 5.5 per cent by the end of June.

The CCOO leadership is due to discuss wages with the employers' organisation on Friday. It is going ahead with today's half-hour national stoppage—without precedent in the last three years—in an attempt to force the Government into withdrawing plans which would effectively reduce the right to strike.

This difference over union policy reflects the divergent strategies of the Socialist and Communist parties, which control the UGT and CCOO respectively. This emerged in last year's abortive Government attempt to arbitrate a "social contract," which broke down because the UGT insisted on direct negotiations between unions and employers while the CCOO wanted the main opposition parties included.

Perhaps the most important feature of the CEOE-UGT agreement is that it was reached without Government intervention.

Government in an embarrassing position. Sanctions were applied to Rhodesia under chapter seven of the UN Charter on the grounds that the country was a threat to international peace. Lawyers point out that for them to be lifted it would be necessary for the Security Council to pass a resolution declaring that this threat to peace no longer existed, even though the war in Zimbabwe Rhodesia is being fought at greater intensity than ever before.

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ANNUAL GENERAL MEETING APRIL 30, 1979

- The Annual General Meeting of the Shareholders of Banca Nazionale dell'Agricoltura, held in Rome on April 30, 1979, approved the Balance Sheet for the financial year 1978, showing a net profit of 15.5 billion lire after provision for appropriations, bringing the Bank's capital and reserves to almost 170 billion lire. The Meeting resolved upon the distribution of a dividend of 175 lire on each 500 lire share.
- During 1978, the Bank proceeded with the policy of selective diversification of the sources of deposits and of lending operations. At the year-end private customers accounted for 69.1 per cent, businesses for 24.6 per cent and the public sector for 6.3 per cent of total deposits. The breakdown of loans outstanding at the close of the financial year was as follows: private customers 5.9 per cent, businesses 92 per cent and the public sector 2.1 per cent. As at December 31, 1978, total operating funds amounted to 7,500 billion lire (+33.8 per cent versus end-1977), including customers' deposits for 5,000 billion lire (+23.2 per cent). At 3,100 billion lire, lendings to customers show an increase of 17.1 per cent compared with the position at end-1977.
- The Meeting also resolved upon the increase of the share capital of the Bank from 24 billion to 36 billion lire, through the issuance of 24 million new 500 lire shares, ranking for dividend as of January 1, 1979; for every four shares held at the date of the Meeting, Shareholders are assigned one free-issue share and the option to subscribe one rights-issue share.
- The Meeting then proceeded to the appointment of a Director, in the person of Giuseppe Pirozzi, who had already been co-opted by the Board of Directors.

The Board of Directors is now composed as follows: Giovanni Auletta Armenise, Chairman; Emilio Barilla and Alfonso Gaetani, Vice-Chairmen; Goffredo Gambarara and Ulpiano Quaranta, Managing Directors; Enzo Badioli, Enrico Bassi, Mario Carrobbio di Carrobbio, Domenico Genoese Zerbi, Pier Francesco Leopardi, Enrico Merlo, Giuseppe Mormile, Giuseppe Pirozzi, Francesco Santa Maria, Vincenzo Schiavone Panni, Giovanni Vender and Giuseppe Violante, Members. The Secretary of the Board is Andrea Lupi.

The Board of Auditors is composed of: Carlo Merlani, Chairman; Claudio Bianchi, Valentino Giannotti, Renato Guaitoli and Raoul Testa, Standing Auditors; Manlio Gallano and Andrea Salvigni, Alternate Auditors.

KEY BALANCE SHEET FIGURES		
OPERATING FUNDS	DEPOSITS	LENDINGS
L.7,463,877,558,276	L.5,026,223,535,910	L.3,122,758,516,703
CAPITAL AND RESERVES NET PROFIT 1978		
L.1,169,719,995,844	L.13,541,915,301	






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OVERSEAS NEWS

AMERICAN NEWS

Israel and Egypt fall out over Gulf of Suez oil

BY DAVID LENNON IN TEL AVIV

NEGOTIATIONS BETWEEN Egypt and Israel over the future of the Israeli-operated oilfield in the Gulf of Suez have failed and the issue will probably be taken up by Mr. Menahem Begin, the Israeli Prime Minister, during his talks in Alexandria with President Sadat today.

Neither was Egypt interested in the Israeli suggestion that it purchase the equipment being used to operate the field for a price of \$30m. American oil men have said that this price was unrealistic. Monday's meeting broke up without any date being set for further discussions.

After Mr. Begin and Mr. Sadat have considered the issue, it is likely that the Oil Ministers of the two countries will have to meet to try to work out, at least, the details of the quantities of oil which Egypt will supply to Israel.



Algeria's mood of confidence

By Francis Ghiles

Algeria is a confident country today: six months ago it lost a charismatic leader in Houari Boumediene but the succession of the new Head of State, Chadli Bendjedid, has passed smoothly.

Energy Department suffers lack of credibility U.S. public finds fuel crisis villain

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE RESIGNATION OF Mr. John O'Leary from his position as number two in the Energy Department was not called for by President Carter as part of his current reevaluation of U.S. economic and energy policies, officials said yesterday.

It is widely agreed here that the Department of Energy is suffering from a credibility crisis. The Department was also caught on the hop this spring because it was dismantling at least part of its regulatory apparatus in anticipation of the Presidential decision to phase out price controls over domestic oil.

President Carter's loyalty to his subordinates is known to intensify, if anything, when they are under fire. But in not buying from his support of Dr. Schlesinger, he exposed Mr. O'Leary to more of the political heat.

Mr. O'Leary who used to head the old Federal Energy Office, was brought into the Department at Dr. Schlesinger's insistence and though the two men reportedly did not always see eye to eye, they were often seen as cut from the same cloth.

Japan wholesale prices rise

BY RICHARD C HANSON IN TOKYO

JAPAN'S wholesale price index in June continued to rise with signs that price rises are broadening further into consumer products.

equal to what present one-year term deposits at commercial banks pay as interest to customers (although consumer price rises are still a bit more modest).

Prices of lumber and wood products also have risen steeply, up 7.6 per cent. This, combined with oil price increases, accounted for 0.7 per cent of the 1.3 per cent June increase.

Stronger position

Recent changes in the Middle East and the increase of the price of all have strengthened Algeria's hand in foreign policy and turned what, only two years ago, a "hawkish" position both on the Palestinian issue and on oil prices into a middle-of-the-road one.

Post monopoly could be ended

BY JOHN WYLES IN NEW YORK

THE U.S. postal service, which has been sinking in public esteem because of rising charges and allegedly deteriorating reliability, has bowed to public pressure with a proposal for partially lifting its monopoly of first class letter deliveries.

Letters sent more than 50 miles would have to arrive within 12 hours or by 10 am the next day. Certain exemptions from the time requirements could be obtained if the senders could establish that the letters would be of value without guaranteed delivery by a private service.

Letters sent more than 50 miles away from the service, in areas where its monopoly is not protected. Thus United Parcel Service, a private company, handles 3 1/2 times as many parcels as the parcel post division.

SALT treaty 'will not stop NATO sales'

By David Buchan in Washington

THE SALT II treaty leaves the U.S. free to sell, if need be, Trident nuclear missile submarines to Britain or sea- and ground-launched Cruise missiles to its NATO allies.

Dearer petrol for S. Korea

By Ron Richardson in Seoul

THE SOUTH KOREAN Government has approved a sharp increase in the price of all petroleum and petrochemical products, passing on to the consumer the latest OPEC oil price rise and partly anticipating a further crude oil price rise.

Iranians in India talks on jeopordised iron ore plant

BY OUR FOREIGN STAFF

A \$650m IRON ORE project in North West India is in jeopardy because of the revolutionary changes that have occurred in Iran since the overthrow of the Shah.

project was launched exclusively to satisfy Iran's steel industry, and no fresh buyers have yet been found. The Indian government, heavily burdened by the cost of imported oil, claims it is unable to commit any foreign exchange reserves to the project, so it faces imminent collapse.

Tanzania finds oil traces

BY OUR DAR ES SALAAM CORRESPONDENT

TANZANIA said yesterday it had discovered traces of crude oil during exploration in the south of the country.

Outspoken publisher under attack

BY OUR U.S. EDITOR

MR. WILLIAM LOEB, the outspoken and controversial owner of the Union Leader newspaper in Manchester, New Hampshire, is being obliged to sell a quarter of the newspaper's stock as a result of an out-of-court settlement of a suit which charged him with mismanaging an employees' pension fund.

thus acquired unusual influence. Mr. Loeb has dismissed the suit against him as an attempt by Democrats in Washington to minimize that influence.

Mr. Loeb has dismissed the suit against him as an attempt by Democrats in Washington to minimize that influence. In settling out of court, Mr. Loeb admitted no wrongdoing in the action brought by a former employee who, on retiring three years ago, was advised that he had accumulated only a little over \$400 in pension rights after 25 years of service with the newspaper.

THIRD WORLD BORROWING

Shopping around private banks

BY BRIJ KHINDRARA IN GENEVA

PRELIMINARY figures suggest that loans from private banks to developing Third World countries in 1978 grew twice as fast as capital flows from international institutions and official aid, according to an economic survey prepared by the UN secretariat for the UN Economic and Social Council.

Such borrowers are showing growing interest in Eurocurrency transactions in Deutsche Marks, Swiss francs, yen and French francs, although they still rely mainly on the U.S. dollar.

judged to be creditworthy. Loans from the IMF are far longer periods and at more attractive terms but they often involve acceptance of IMF guidelines over domestic monetary and economic policies.

Foreign income

The large increase in foreign income probably explains why Sonatrach has reduced its borrowing rate by \$900m from the amount raised during the first half of this year. Algeria's external debt was estimated at \$8.9bn at the end of 1978.

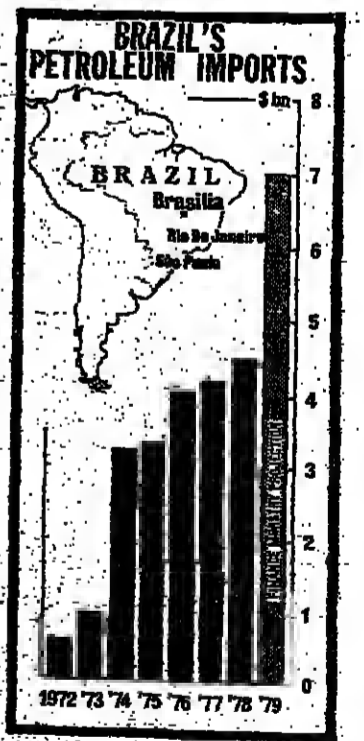
OIL IMPORTS BILL SOARS Brazil prepares to put its economy on 'war' footing

BY DIANA SMITH IN RIO DE JANEIRO

PRESIDENT Joao Figueiredo of Brazil wants to create what he calls "a war economy or something similar" to overcome the effects of the two OPEC oil price increases this year.

Strikes have become commonplace since the new government took office on March 15. The administration, more politically and socially sensitive than its predecessors, has attempted to keep a delicate balance between allowing "reasonable" wage increases, stopping them from being passed on through prices, and concentrating anti-inflationary measures on tighter credit, reduced foreign borrowing and a gradual clean-up of the speculative financial market.

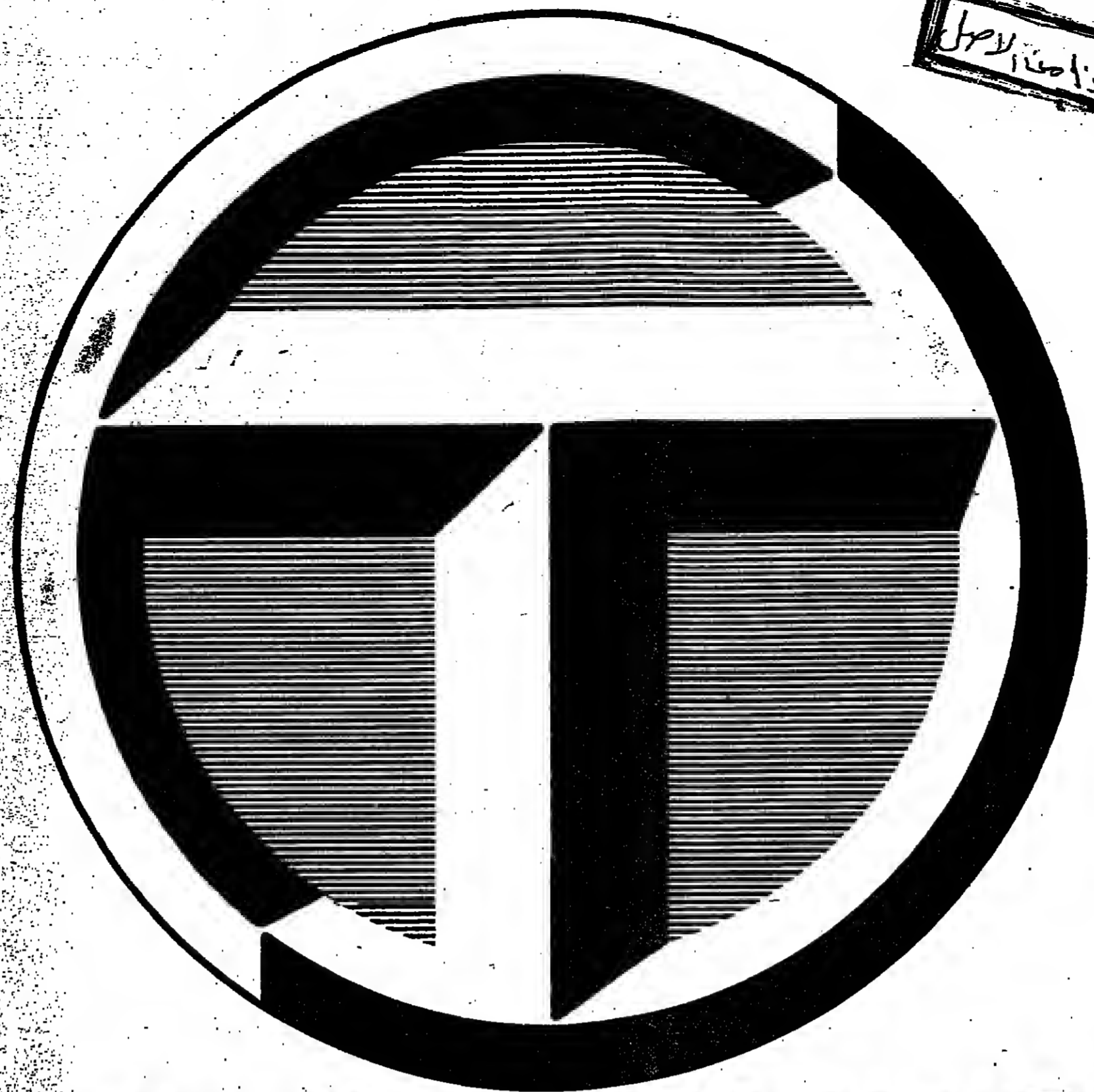
Although cost-effectiveness will be emphasised, such programmes require massive investment. Alcohol for "gasohol" calls for \$5bn in the next six years. Petrobras, the national oil monopoly, invests about \$2bn a year in local oil prospecting and production, while a planned shale-oil plant will cost \$1.5bn and the annual budget of the national electricity agency, Eletrobras, is over \$2bn.



Although official spokesmen were anxious to stress that these new priorities did not mean cutbacks in public investment or the threat of a major recession, others are less sure.

هكمان النحل

شركة تالوت



TODAY CHRYSLER EUROPE HAS A NEW NAME AND A NEW FUTURE.

The new name is Talbot, a proud name to stand beside its partners, Peugeot and Citroën. A name better able to represent its new European role.

Talbot will be the new name for your Chrysler dealer and for the cars he sells. His Talbot service will provide personal attention for your present Chrysler car and full continuity of parts and spares. A Talbot service that extends right across Europe.

WHY THE CHANGE? WHAT'S THE DIFFERENCE?

A year ago the whole of Chrysler's European operations were bought by P.S.A. Peugeot-Citroën - which became Europe's biggest car manufacturer. The benefits of the group are the resources of production, research and financial backing.

Resources that mean it can support three famous brands with totally separate personalities, different cars, different dealer networks. Real choice for the motoring public.

Talbot makes you a promise - that in Talbot you will rediscover the sheer pleasure of driving a car. Talbot intends to design and

develop a range of cars that inspire pride of ownership.

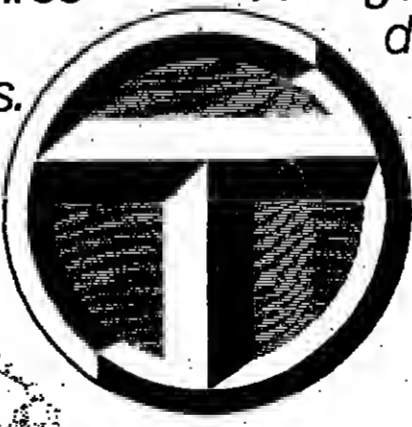
Cars that use electronic innovations to increase driving satisfaction. Cars engineered to make the best use of every precious drop of fuel. Cars that are a joy to look at, dependable to drive, cars provided with a host of active safety features. Talbot makes you this promise.

And the Talbot name is a proud one. The cars it puts its name to are already evidence of this.

The Alpine and the Horizon are already winners of the coveted Car of the Year Awards in their own right. These are on-going Talbot models. The Sunbeam

now extending its range with a 16-valve Lotus engined version, this too becomes a Talbot. And the Avenger, in both saloon and estate form, will go on developing even more car for your money as a Talbot Avenger.

And Talbot has new cars coming along soon. Cars that, like all the Talbot range, will be dedicated to that essential Talbot promise - The sheer pleasure of driving a car.



THE NEW SPIRIT OF MOTORING TALBOT

السعودية



We've expanded upon our success

Our Vehicles

The price of success is constant effort. For this reason we have not let ourselves rest on our laurels. Instead, we've brought out a completely new model range in exceptionally little time.

Today, our vehicle line includes 5 passenger cars: Polo, Derby, Golf, Passat and Scirocco. In addition, there are the Commercials and the LT line from 2.8 to 4.5 metric tons.

Every one of these vehicles is an exceptional success. This sales success is not just a matter of chance.

The research behind the development of the new Volkswagen generation has been more intensive and more costly than ever before.

We have devised new technological means of making our vehicles more comfortable, more economical and safer. We have developed new engines, including one of the most advanced diesel engines in existence.

And we have done everything possible to maintain the quality, economy and reliability that we have been known for since the Beetle's first appearance.



Our Sales and Service System

In order to be successful on every market, it is not enough simply to build good cars.

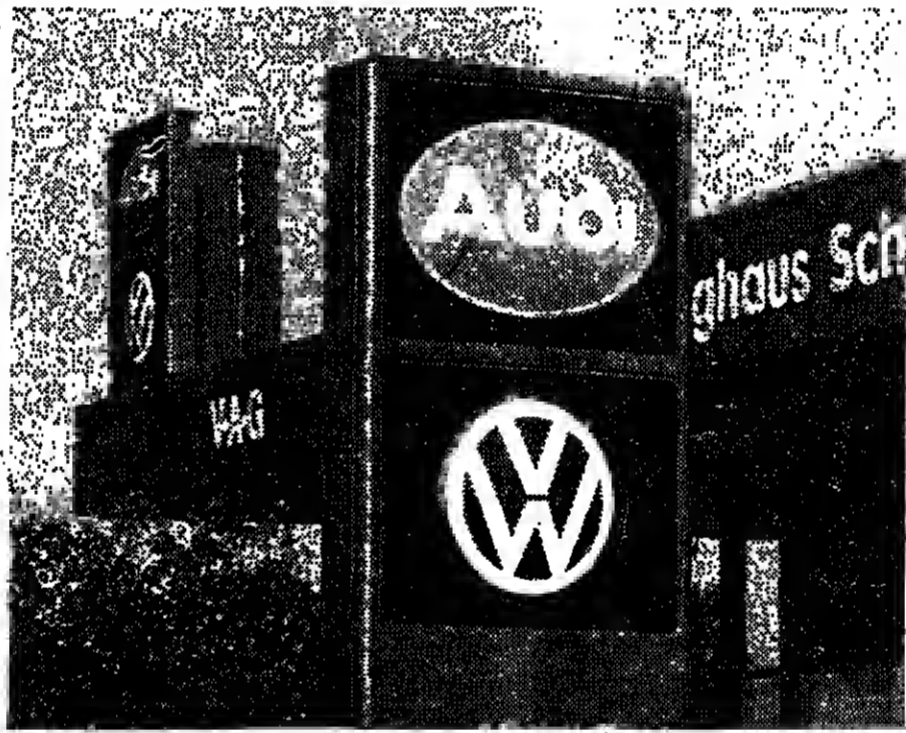
It is just as important to have a marketing organization which is able to sell these vehicles with energy and service them with diligence. Since 1978 our marketing organization has appeared under unified name V.A.G.

The Volkswagen Group marketing division directs world-wide deliveries to 152 countries via Sales Centres and Importers. These firms are in turn responsible for supplying and supporting the retail outlets in their respective regions.

10,600 dealers and workshops affiliated with the Volkswagenwerk are engaged in selling and servicing Volkswagens according to the uniform standards of the Volkswagenwerk AG.

This sales system guarantees world-wide the constant and careful maintenance and repair of every vehicle sold. The result is that not just our cars are top quality.

But our service as well.



Our Research Projects

Energy conservation has high priority in our research. We are seeking ways to cut down on the energy consumed above all in vehicle operation, but also in production.

We are improving body aerodynamics so as to economize on petrol.

Engines which run on methanol and ethanol fuels are now in their second large-scale fleet test.

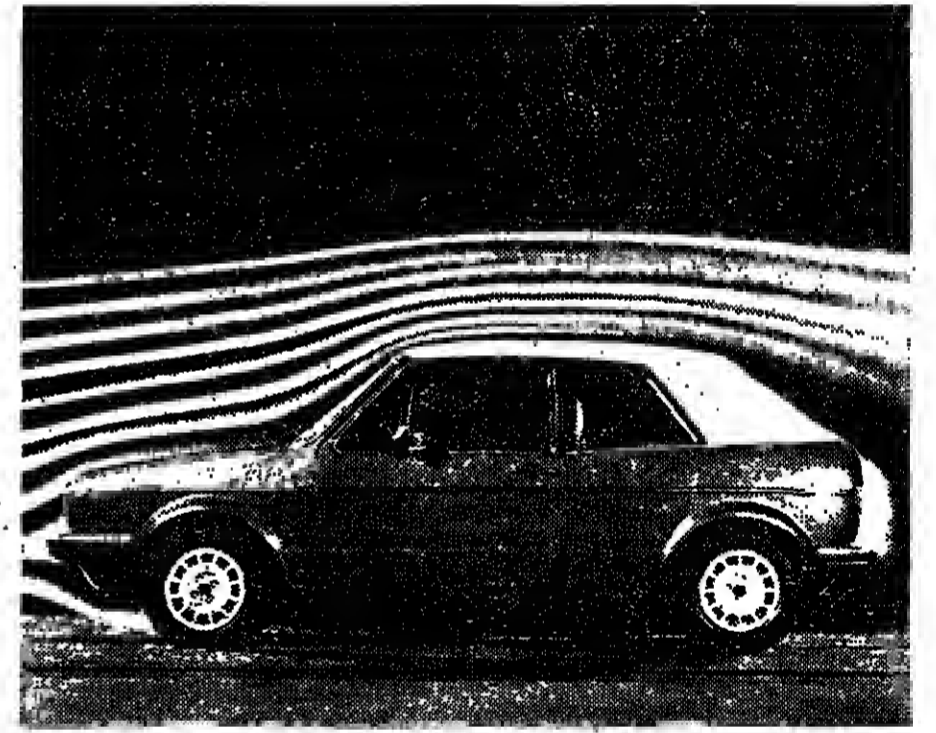
We have already developed diesel engines which consume roughly 30 % less fuel than petrol engines.

We are progressing with our developmental work with electric vehicles.

In the future, electronic systems for measurement, control, and information processing will result in even more safety, comfort, and economy in our vehicles.

The calculation and design of vehicle components with the aid of computers is saving material and weight and leading to increased safety.

And last but not least, we are hard at work reducing the exhaust and noise pollution emitted by our cars.



Our 1978 Financial Statements

Excerpt from the Financial Statements of the Volkswagen Group for the year 1978 (figures in million DM)

Balance Sheet December 31	1978	1977
Assets		
Property, plant, equipment and intangible assets	5,745	5,425
Investments	281	304
Adjustment items arising from initial consolidation	205	226
Inventories and advance payments to suppliers	3,477	3,180
Trade accounts receivable	800	557
Liquid funds, own stock	5,547	4,401
Miscellaneous other current assets	2,106	1,463
	18,161	15,566
Liabilities		
Capital stock of the Volkswagenwerk AG	1,200	900
Consolidated reserves, minority interest, reserves for special purposes	4,475	3,455
Old-age pensions	2,341	2,048
Other undetermined liabilities	3,109	2,111
Long-term liabilities	1,981	2,537
Other liabilities and allowance for doubtful trade acceptances and accounts	4,866	4,342
Net earnings after reserve transfers	189	173
	18,161	15,566

Statement of Earnings for the period Jan. 1 — Dec. 31	1978	1977
Sales	26,724	24,152
Increase in inventories, material, wages and overheads capitalized as additions to plant and equipment	561	351
Gross performance	27,285	24,503
Cost of materials	14,089	12,746
Labour cost	7,656	6,810
Depreciation	1,456	1,600
Taxes	1,692	1,503
Sundry expenses less sundry income	1,808	1,425
Net earnings	574	419
Volkswagenwerk AG's net earnings brought forward	2	4
Change principally in consolidated reserves	387	250
Net earnings after reserve transfers	189	173

The complete Group Financial Statements and the Financial Statements of the Volkswagenwerk AG carry the unqualified confirmation of the Statement Auditor and will be published in the Bundeserzengelger (Federal Gazette) early in July.

Declaration of Dividends
— Securities Code No. 766 400 end 766 401 —

At our organization's statutory Annual Meeting of Stockholders on 4th July 1979, it was decided that per DM 50.— stock value, a dividend of DM 9.— on old shares and of DM 4.50 on new shares, in accordance with the 1978 capital increase, shall be paid for the business year 1978.

Outpayment of the dividends less 25 % capital gains tax can take place immediately upon submission of the dividend coupon no. 18 to the appointed payment offices.

Payment offices in West Germany are located in Berlin, Bochum, Brunswick, Bremen, Cologne, Düsseldorf, Essen, Frankfurt (Main), Hamburg, Hanover, Munich, Münster (Westf.), Saarbrücken, Stuttgart, Wolfsburg:

Dresdner Bank AG; Bank für Handel und Industrie AG; Deutsche Bank AG; Deutsche Bank Berlin AG; Commerzbank AG; Berliner Commerzbank AG; Bank für Gemeinwirtschaft AG; Bayerische Hypotheken- und Wechsel-Bank; Bayerische Landesbank Girozentrale; Bayerische Vereinsbank; Joh. Berenberg, Gossler & Co.; Berliner Bank AG; Berliner Handels- und Frankfurter Bank; Deutsche Genossenschaftsbank; Deutsche Girozentrale — Deutsche Kommunalbank —; Hessische Landesbank — Girozentrale —; Merck, Finck & Co.; Norddeutsche Landesbank Girozentrale; Sal. Oppenheim jr. & Cie.; Trinkaus & Burkhart; Vereins- und Westbank AG; M. M. Warburg-Brinckmann, Wirtz & Co.; Westdeutsche Landesbank Girozentrale; Westfalenbank AG; Commerz-Credit-Bank AG Europartner; Deutsche Bank Saar AG; Norddeutsche Volksbanken AG;

as well as in Austria in Vienna: Österreichische Länderbank Aktiengesellschaft; Creditanstalt-Bankverein; Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft; Bank für Arbeit und Wirtschaft Aktiengesellschaft; Genossenschaftliche Zentralbank Aktiengesellschaft; Schoeller & Co.;

and in Switzerland in Zürich, Basel, Geneva: Schweizerische Bankgesellschaft; Schweizerische Kreditanstalt; Schweizerischer Bankverein.

Wolfsburg, July 1979

Volkswagenwerk Aktiengesellschaft
The Board of Management

UK NEWS

Clydesdale launches on-line banking

The FIRST on-line banking system in the UK linking exterior electronic terminals and teller terminals inside the branch, was announced yesterday by the Clydesdale Bank.

Auditors to probe trust

THE AUDITING firm, Thomson, McLintock, has been asked to report on errors made by Petroleum Royalties Trust, a limited company which provides administrative services for a trust for investors in American oil wells.

Record price paid for paperweight

A ST. LOUIS encased bouquet paperweight sold for £48,000, plus the 11.5 per cent buyers premium and VAT, at Christie's yesterday, a record auction price for a paperweight.

SALEROOM

paid by the same dealer for a St. Louis paperweight. Also at Christie's a set of "The Months", drawings in chalk and ink by Giovanni Tiepolo, realised £9,000.

State borrows 45% more in first quarter

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BORROWING by central government in the first three months of the current financial year was 45.5 per cent higher than a year ago, but this was before the Budget measures could have any impact on cutting expenditure.

Warning of dearer home loans if MLR stays high

BY ANDREW TAYLOR

FURTHER indications that building societies are likely to raise interest rates to record levels at the end of this week came yesterday with a warning from Bristol and West.

Westminster Bank puts up personal loan interest rate

FINANCIAL TIMES REPORTER

NATIONAL Westminster Bank yesterday announced an increase of half a percentage point in the rates of interest for personal loans and home improvement loans.

Companies study leisure demand

BY PAUL TAYLOR

AN INFORMAL consortium of five companies is studying a consultant's report on leisure facilities in the UK—including the extensive facilities provided by local authorities—and the possibilities for further private investment.

U.S. music links sought as British pop era fades

THE SERIOUS deteriorating cash position of Electrical and Musical Industries appears to be the immediate motive for its £70m deal proposed with Paramount Pictures in the U.S.

Energy supplies problem for MPs

By Sue Cameron, Chemicals Correspondent

LEADERS of the Chemical Industry Association are to meet MPs tomorrow to express concern over supplies of energy and oil-based raw materials.

ICI polyester resins business sold to BP

By Sue Cameron

BP CHEMICALS is buying Imperial Chemical Industries' unsaturated polyester resins interests for an undisclosed sum.

Chrysler Europe name is changed to Talbot

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CHRYSLER EUROPE is changing its name to Talbot. The move, announced yesterday, emphasises the divorce of the European operation in France, the UK, Ireland and Spain, from Chrysler of the U.S., which sold them to PSA Peugeot-Citroën of France in January for \$430m.

Opencast mine deal worth £23m signed

A £23M CONTRACT has been signed between the National Coal Board Opencast Executive and Derek Crouch (Contractors) for the development of opencast mining at Tostington, near Amble, Northumberland.

Computer link to find unsafe cars

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE COMPUTER at the Vehicle Licensing Centre, Swansea, will be used to locate owners of cars with safety-related defects as part of a new Code of Practice announced by the Department of Transport and the car manufacturers yesterday.

Digest

The code specifies the steps manufacturers should take to notify owners when launching recall campaigns. Part of the process will involve sending individual letters to owners identified by the Swansea

Consumer credit licences extended

By David Churchill, Consumer Affairs Correspondent

THE GOVERNMENT is to extend from three to 10 years licences granted to companies or individuals providing consumer credit facilities.

Criticised

Since licensing was introduced in 1976, 15 licences have been refused and over 10,000 have been granted.

Fewer bad debtors and business failures

BY JOHN MOORE

BAD DEBTORS and business failures during the second quarter of this year showed a fall on the figures published in the first quarter.

Dimbleby buys Wandsworth Borough News

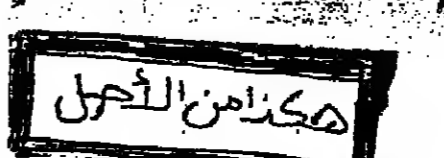
By John Lloyd

THE Wandsworth Borough News has been sold to Mr. David Dimbleby, whose family owns the Richmond and Twickenham Times group of newspapers, for an undisclosed sum.

NEWS ANALYSIS—MAX WILKINSON LOOKS AT PROPOSED EMI-PARAMOUNT DEAL

In the longer term, the two companies clearly have an eye on the video market for recorded video material, either on tape or video discs.

EMI's profits in the music business have fallen rapidly from £22.7m in sales of £430m in 1978 to £11.5m in 1979. However, in the current financial year, after losses of £11m in the second half, it is expected that pre-tax profit on the music side will be down to only £5m.



UK NEWS - LABOUR

Up to 34% rises agreed for Civil Service scientists

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT has reached agreement with the Institution of Professional Civil Servants on pay increases of up to 34 per cent for 20,000 scientists.

Jenkins predicts inflation near 20% by December

BY OUR LABOUR STAFF

INFLATION WILL reach 18 1/2 per cent in 20 per cent by December and wage claims will exceed that in the autumn, union leader Mr. Clive Jenkins predicted yesterday.

Move to spread banks dispute likely today

BY NICK GARNETT, LABOUR STAFF

FIRST STEPS towards extending the pay dispute within the English clearing banks will be made today when the executive of the Banking, Insurance and Finance Union considers a programme of industrial action in all five banks.

Power workers 'reject offer'

By Philip Bassett, Labour Staff

POWER WORKERS are thought to have rejected their latest pay offer of 16 per cent, though by a much closer margin than their three-to-one rejection two months ago.

Prior acts over redundancy and unfair dismissal rules

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT went ahead with promised changes in the rules covering unfair dismissal and redundancy notices yesterday, partly to help small businesses.

Thames TV back on air

THAMES TELEVISION programmes went on the air late yesterday afternoon, following an agreement between the company and the Association of Cinematograph, Television and Allied Technicians.

Chrysler men walk-out

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE 3,500 workers at Chrysler UK's Stoke engine plant, Coventry, walked out last night in what threatens to be a protracted strike.

Cash challenge on Corby closure

BY OUR LABOUR EDITOR

A CLAIM that the British Steel Corporation has greatly exaggerated the financial saving it would make by halting iron and steel making at Corby, Northants, has been made by two university lecturers who are advising Corby's trade unions.

London Clearing Banks' balances as at June 20, 1979

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England.

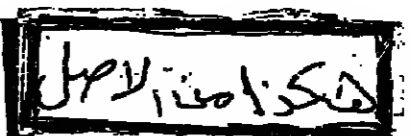
Table 1: Aggregate Balances. Table 2: Individual Groups of Banks' Balances. Table 3: Credit Control Information. Table 4: Bank of England Quarterly Bulletin figures.

Advertisement for Jones Lang Wootton, featuring the headline 'There's still room at the top' and details for a new London Bridge House office building.

Hospital union man arrested

A HOSPITAL workers' leader was arrested yesterday as 200 members of the National Union of Public Employees scuffled with police.





Proposals plan on Rhodesia independence

BY IVOR OWEN

BRITAIN'S determination to secure Rhodesia's return to regularity by bringing about fundamental changes which led to the appointment of Bishop Muzorewa as the country's first black Prime Minister, was affirmed by Lord Carrington, the Foreign Secretary, yesterday.

He complained that there had been a disposition in some sections of the international community to seek to ignore these changes and to argue that Bishop Muzorewa and his Government should be treated in the same way as the previous government of Mr. Smith.

He recognised that elsewhere in Africa and among Rhodesia's neighbours, different views were held to those of the British Government as to whether there had been a real transfer of power from the minority to the majority.

Underlining the Government's wish to make as rapid progress as possible, Lord Carrington told peers: "No purpose will be served by undue delay. There is no reason to believe that there will be a better chance of securing a solution next year or the year after that."

He maintained that a firm British position on sanctions was vital to the conduct of the further negotiations in Rhodesia which were to take place in coming weeks.

Specialist police forces given pay rise

THE GOVERNMENT announced pay rises for the British Transport Police and other specialist police forces yesterday.

Charities call for aid to boat people

BRITAIN'S LEADING charitable organisations launched an emergency appeal for Vietnamese refugees yesterday, demanding an immediate Government commitment to accept 15,000 people.

Criticism

Several British charities have recently been criticised for using political means to promote their charitable ends, and the coupon, which presses the Government to "give sanctuary generously to refugees from Indochina," is likely to be controversial.

Labour MPs insist that sanctions must be continued



IN THE COMMONS Sir Ian Gilmour, Lord Privy Seal, also made a statement on Rhodesia.

Mr. Andrew Faulds (Lab., Warley E.) insisted that Britain should neither recognise Rhodesia nor lift sanctions until the country has made constitutional changes and had dismissed Mr. Ian Smith.

Mr. Stephen Hastings (Mid-Bedfordshire) insisted that the first priority must be the wishes of the Rhodesian people of all races as expressed through the ballot box.

Mr. Terence Higgins (C Worthing) insisted that the present Rhodesian constitution "could not be the basis of a permanent settlement since it contains a number of highly discriminatory elements."

Mr. Peter Emery (Honiton) warned that if Britain's actions were condemned by the rest of Black Africa "it could be in the long term harmful not only to Rhodesia but also to British people living in Rhodesia."

Rhine troops plea

BRITAIN'S commitment to provide forces on the Rhine should be reviewed, Mr. Peter Temple-Morris (C. Leominster) told the Commons.

Mortgage rate wait

The Government will "wait and see" whether building societies raise mortgage rates on Friday before taking any further action, Mrs. Thatcher told the Commons.

Army security check

AN INVESTIGATION of the adequacy of internal security at the British Army centre at Dorndorf, West Germany, has been ordered after two bomb explosions at the officers' mess.

Refugees

NEW offers to accept 75,000 refugees for resettlement have been received since June, most from the U.S., France, West Germany and Canada, Britain has made no commitment, preferring instead the idea of providing cash for refugees to be resettled in South-East Asia, perhaps on the Pacific island of Guam.

PM defends union plans

BY JOHN HUNT

THE PRIME MINISTER gave a firm indication yesterday that she is determined to press ahead with the Government's proposals for amending labour relations law, despite the initially hostile reaction of some trade union leaders.

It was largely because of this that the Conservatives had gained more support than ever before from members of the trade unions and had won such a large number of seats in the Commons.

Mr. John Cartwright (Lab., Kingston upon Hull) asked whether Mrs. Thatcher was prepared to go to the Commonwealth meeting taking "in a minority of one," her line on lifting sanctions.

Mr. John Selwyn Gummer (C. Epsom) called on her to ensure that individual trade unionists were protected from the over-riding power of senior trade unionists.

Double tax code approved

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A CLAUSE concerning the controversial double tax convention between Britain and the United States was approved in the Commons early yesterday despite sharp Conservative protests.

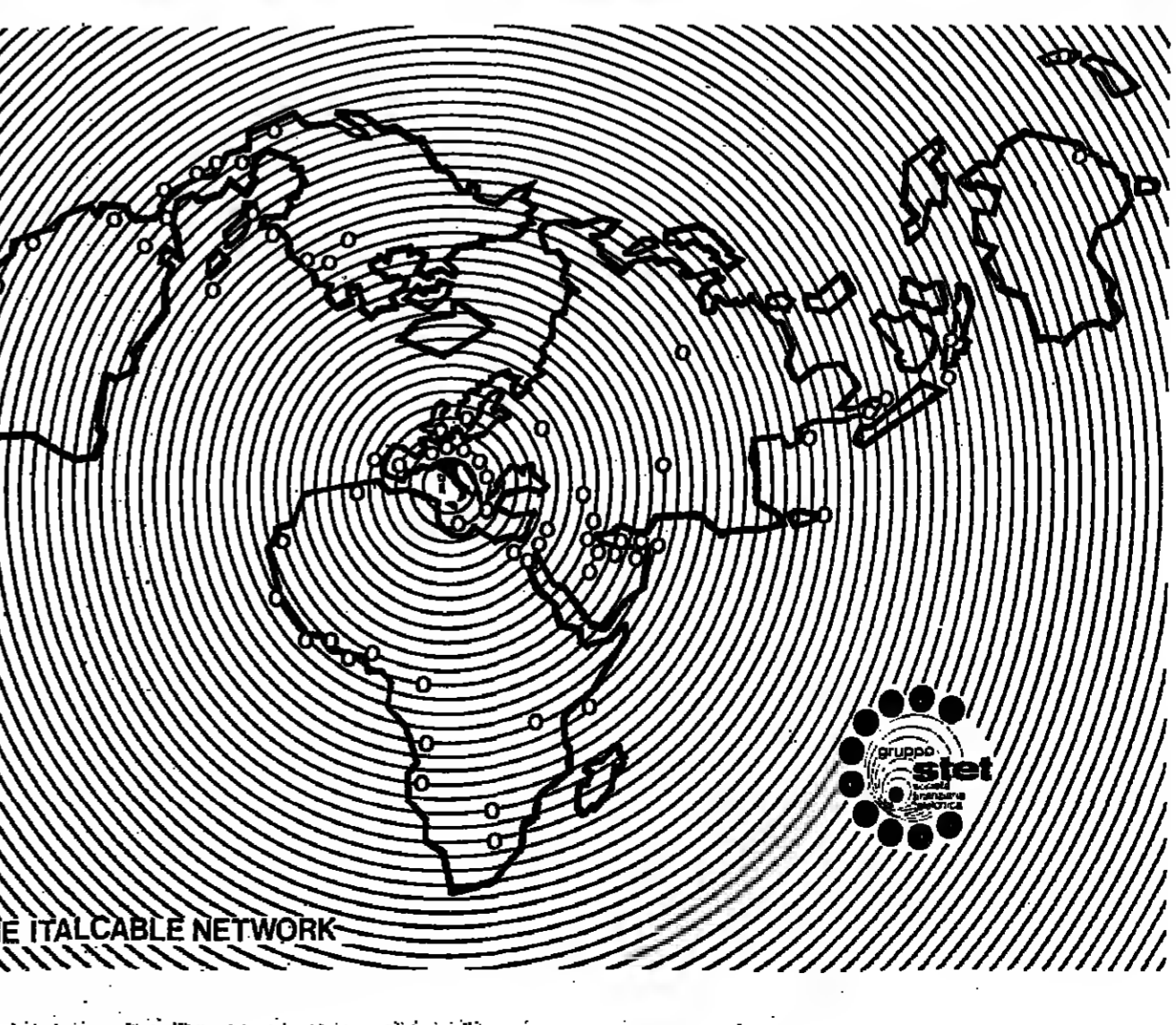
On Monday, the Senate ratified the convention but a provision preventing individual states from levying unitary taxation had been cut out.

Mr. Rees said the Government well understood the concern of British and foreign companies over the matter and Mr. Lubick had been left in no doubt about this.

italcable logo and address information: 49, Via Calabria ROME - ITALY Tel. 47701

The 1978 Annual Report underscores the continual increase in the Company's traffic volume - operating income went up by nearly the third - and this trend is orienting ITALCABLE to a threefold expansion of its production plant.

OVERSEAS TELECOMMUNICATIONS SERVICES



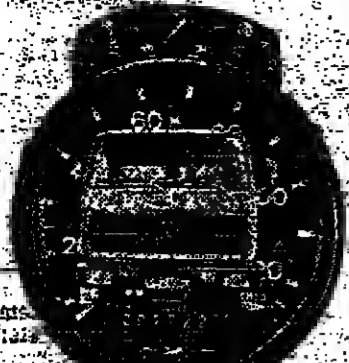
THE ITALCABLE NETWORK

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Germany's 'spy in the cab' still having UK translation problems

BY IAN ARGREAVES

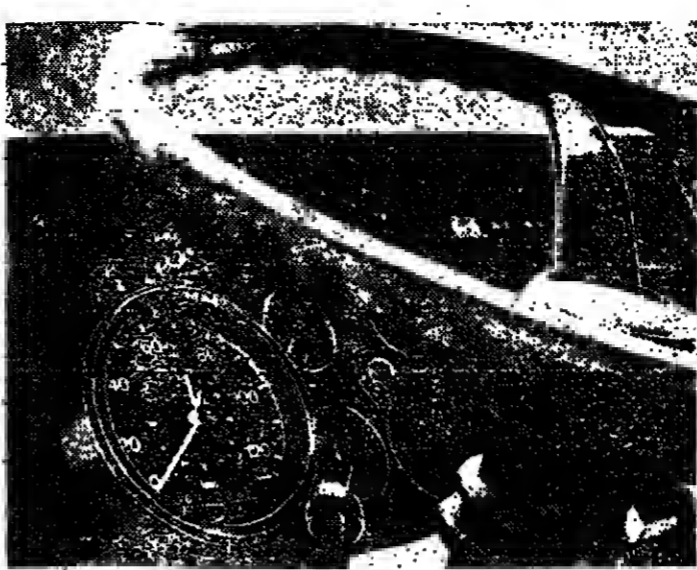


rather like a speedometer and involves a clock mechanism rotating a wax disc on which one or more separate stylus etch signals from the vehicle's tachometer or engine. This basic device became the foundation of the Kienzle instrument business, which, along with more recent developments in business machines and computers, has produced sales growth of 62 per cent in the past four years. Sales totalled DM570m (£142m) in 1977-78. Tachographs for lorries and cars still account for 25 per cent of this turnover. The company now entirely dominates the town of Villigen.

of planned maintenance and scheduling and the performance of drivers. This chapter of the Kienzle history is one of several which British lorry drivers have seized on in the past five years in their fight to resist the tachograph. The reason this argument arose was that in 1970 and 1973 the EEC adopted regulations making the tachograph compulsory for all heavy lorries. The Commission's objective was to install a recording device which would allow member states to effectively police the Community's new social regulations, harmonising the length of the driving day in the interests of safety and fair competition. These are the regulations which Britain's road freight industry has been resisting with such vigour. The resistance began with a lorry drivers' campaign against the "spy in the cab," but was eventually supported by the employers too who argued that the tachograph was a costly accessory whose use in domestic haulage should be left to the discretion of the individual employer.

Mr. William Rodgers, Transport Secretary in the Labour Government, felt simply that the tachograph issue was too tedious and too trivial to risk a major breach with the Transport and General Workers Union. So his officials were instructed to negotiate the maximum possible concessions and delays over the new driving hours law and to simply go on saying "no" to the tachograph. Eventually, a reluctant Commission had no alternative but to take Britain before the European Court for breach of the regulations. In April, the court found Britain guilty and Mr. Rodgers announced that steps would be taken to implement the law. One of the first acts of Mr. Norman Fowler, the present Transport Minister, was to initiate consultations with industry on the most desirable timetable for introducing the tachograph.

Union reaction to these developments remains uncertain. Officially, both lorry drivers' unions remain implacably opposed to the instrument, but with the writing now of the legal wall, it would be surprising if they did not wish their emphasis to hargain for the highest possible price for their adoption of the tachograph. The employers, regulations remain unenthusiastic but are resigned to living with the instrument some time in the future. The end may, therefore, be in sight for Ekin's most notorious alarm: a Euro-tee that West Germany's road safety record is no better than Britain's in spite of the fact that the tachograph has been widespread there since the 1950s. They don't believe a driver will operate with greater care because of the "silent witness" in his dashboard. Against this, Kienzle, which has supplied well over half of the 2m tachographs operational throughout the world, has a long record of accident evaluation using the tachograph, whose evidence is now accepted by German courts as superior to that of an eye-witness. Where the tachograph record and that of a bystander conflict, it has to be proved in court that the tachograph was not functioning correctly. One genuine and major problem with the tachograph's accident evaluation role is that the instrument is not standardised and nor are the wax disc accessories. Kienzle says its own instruments can be rendered almost useless by the (perfectly legal, even in the EEC) fitting of cheap discs.



The driver's view of the tachograph—as now fitted to 100,000 UK lorries

Most threatening from the viewpoint of a driver is the employer's ability to reduce overtime by cutting wasted time with a particular customer (or to tell that customer that if turnaround time cannot be improved, he will have to pay a premium) and at the same time enable the fleet to be kept as small as possible. A study of the engine revolution pattern, along with speed, will tell an employer which of his drivers is hammering his vehicles. The historical record of a given vehicle's non-productive time will also highlight any vehicle which ought to be sold. At the simplest level, the tachograph will tell an employer quickly how many hours his men have worked and can be used as the basis for wage calculations. Even this, however, is the source of alarm in the UK where most lorry drivers' pay is based upon working "notional" rather than actual hours. Employers who are convinced by the tachograph point to cost savings in wages, fuel, tyres, unproductive use of non-transport equipment and fewer accidents (because of ability to enforce a company speed limit). Whether the British will buy these arguments remains to be seen. It is a matter of some importance to Kienzle, half of whose tachographs are exported. The company regards Britain as potentially its largest market outside Germany and has formed a joint sales company with Lucas (Lucas-Kienzle) to market its goods in this country.

Of the 500,000 trucks on Britain's roads, probably around one in five already have tachographs because they are now fitted as standard on all European lorries, so there is a big retrofitting market to the next few years and an even more important market in selling equipment to the vehicle manufacturers. Lucas-Kienzle dominates the UK market as Kienzle does the European, but it has tough competition from Smiths, which is also active elsewhere in Europe in a consortium, and from the U.S.-owned Veeder Root company. The British Government, in authorising tachograph fitting and calibration centres (places where the tachographs are legally sealed for use as an EEC-authorised recording device), has divided the licences equally among the three manufacturers. For Kienzle, it is vital to win not just the grudging acceptance of UK fleet managers for their tachographs, but a willingness to explore new developments in read-out systems and other improvements. Like many fine engineering companies, Kienzle has developed from a single invention and knows it can only compete in the future by keeping ahead in technology. Every deutschemark advance in sales is to be matched in the next five years by a deutschemark increase in research and development spending. At present, the instruments division (covering petrol pump computers, tachographs, stationary machinery monitoring, parking meters and taximeters—most of London's cabs have Kienzle meters) accounts for 48 per cent of total turnover. The rest is in minicomputers, where the company has a particularly strong hold on the bank terminal market. At Kienzle there is a lingering bewilderment at the British attitude. In spite of the careful public relations and information-gathering work the company has done in Britain, the bewilderment is understandable in a country where trade unionists have actively campaigned for wider use of the tachograph. Kienzle still has a lot of work to do in persuading the British that they are offering an ally rather than a spy for the lorry driver's cab.

Company Secretary's Review IN TODAY'S ISSUE Complaining to the Ombudsmen Safety representation in practice Finance Bill Memorandum Constructive dismissal—recent cases For the busy professional—essential facts summarised every fortnight in eight pages of invaluable information. Telephone us now on 01-688 9141 for three recent issues, without obligation.

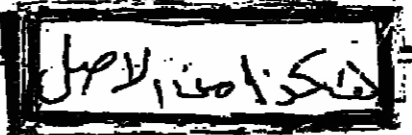
claim for negligence A bank gives a favourable financial reference for a customer (i.e., as good for a rent of £1,000 p.a.) at a time when it is in fact pressing the customer to discharge a debt to the bank because it can perceive him to be insolvent. The recipient of the reference in consequence lets a house to X and suffers loss of rent. Unfortunately following Hedley Byrne and Co. v Hillier and Partners Ltd. (1964) it appears to be necessary in such cases, in order to recover damages from the bank, to prove that the bank was not merely negligent but in fact fraudulent in giving the reference. It would be difficult to prove a fraudulent intent since it does not seem that to assist the customer in obtaining a roof would be expected to assist the bank to recover its debt and there is thus no apparent motive. On the other hand, such a degree of mere negligence appears incredible. The case quoted seems in fact to have created a remarkable injustice. Can your Legal Correspondent see any way round this? The case of Hedley Byrne & Co. Ltd. v. Hillier and Partners Ltd., to which you refer decided the opposite of what you state, namely that a claim in negligence does lie for a negligent misstatement: fraud need not be proved. However banks normally only give their references under a disclaimer of responsibility for the statements made. If that was done in your case it will not be possible to recover damages unless you can prove fraud.

Dismissal procedure Could you please explain the procedure an employer must follow in order to dismiss an employee of less than six months' standing and in what right of appeal the employee might have? There is no special procedure: notice should be given in accordance with the terms of the contract of employment, or if there are no express provisions as to notice of termination, one week's notice must be given if the employment exceeded 13 weeks. There is no appeal against dismissal as such. No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be considered by post as working as possible.

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THE ARTS



Television

Those summertime blues by CHRIS DUNKLEY

Those of us who watch television even during the summer...



Billy Hartman watched by Lulu, Alvin Stardust and Les Gray in 'Oh Boy!'

Furthermore, that 17m in the summer was for 'The Life'...

you are I or the London Palladium would consider quite a healthy-sized crowd...

The American import Police Woman, the news, a repeat of Granada's outstanding dramatization of Hard Times...

Perhaps that is right. Certainly the ballet was a most dramatic and exciting production...

What's more it must be said that the BBC sports department did its usual flawless job...

ITV's schedule started with a new quiz programme called The Stierie Jones Game Show...

Furthermore there were a couple of programmes last week which it would have been a pity to miss...

There was, too, John Elliot's Dear Harrier in BBC Bristol's filmed 'Turning Year Tales'...

There is also a little group in which efforts are at least being made even if they don't meet with complete success...

In the end, after bending over backwards to be fair and adding all the handiwork of mitigation together...

The week brings five works new to London in the Rambert repertoire...

Royal Court

Reggae Britannia

by B. A. YOUNG

"I could no more understand a play like this," James Agate once said...

There are two long spells of reggae during the evening, composed and played, through an immense battery of speakers...

There is also a little group in which efforts are at least being made even if they don't meet with complete success...

Monday evening's offering was a conflation of English and American music...

Between them, Leigh Jackson has written a simple but interesting play about the troubles of a committed Rastafarian...

The Raste Puritan is Elroy James, a schoolboy in his last year at a North London comprehensive...

There is also a little group in which efforts are at least being made even if they don't meet with complete success...

Monday evening's offering was a conflation of English and American music...

Three Place Settings (from New England?) at the end of the concert was a short, skittish send-up of American views of food...

long enough to get a brick in his face through the window...

In his modest way, Elroy is today's equivalent of the Christian saints, sacrificed for his unshakable belief in his creed...

There is a recording of this piece (on Deste DC7143, from Discurio in Shepherd Market)...

Three Place Settings (from New England?) at the end of the concert was a short, skittish send-up of American views of food...

St. Bartholomew-the-Great, Smithfield

Anglo-American by NICHOLAS KENYON

An evening of Very Lovely Sounds (plus a small pay-off joke) at St. Bartholomew's...

Monday evening's offering was a conflation of English and American music...

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Three Place Settings (from New England?) at the end of the concert was a short, skittish send-up of American views of food...

Three Place Settings (from New England?) at the end of the concert was a short, skittish send-up of American views of food...

Florence

A re-discovered Leonardo

Among the neglected composers to whom musicologists have turned their attention...

and, even providentially, her sea-captain father. The father has captured a Turkish vessel...

performance more agile; instead, it becomes heavy, confusing. The omnipresent mime...



Gennarino Palumbo, Giuseppe Barra and Gennaro De Sica in 'Li zite 'ngalera'

Sadler's Wells

Rambert Ballets

The week brings five works new to London in the Rambert repertoire...

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Wednesday July 11 1979

An end to the myths of land ownership

BY CHRISTINE MOIR and CHRISTOPHER PARKES

A last effort on Rhodesia

THE CARRINGTON initiative on Rhodesia was formally launched in the House of Lords yesterday afternoon. It has all the air of a make or break last try. Lord Carrington is clearly going to attempt between now and November to "bring Rhodesia to legal independence in such a way as to win the widest possible international acceptance."

Both in style and in content, the Carrington initiative is fundamentally different from the Anglo-American plan that preceded it. This time, Lord Carrington is consciously putting his own and Britain's reputation on the line. Rhodesia is both Britain's moral and constitutional responsibility he said yesterday.

Fundamental changes
The starting point of the Carrington initiative is the Rhodesian elections in April. These represented a "fundamental change" in Rhodesia. Lord Harlech reported "an encouraging recognition that major changes had taken place among African leaders. But he reported criticism of the Rhodesian constitution, in particular of the blocking power given to the white minority over a very wide range of legislation; and of the character of the public service commissions. This last comment is a reference to the entrenched minority clauses that guarantee that whites will control the security forces, the judiciary and the public service for some time to come.

The next step is for a period of "consultation," starting later this week when Bishop Muzorewa, Zimbabwe-Rhodesia's Prime Minister, comes to London on his way back from Washington. Bishop Muzorewa is likely to be asked to go back to Rhodesia and do two things. Firstly, he has to prove to a sceptical world that he has the power and the authority to give real leadership to his country. Secondly, and as an extension of the first point, he has to persuade a sufficiently large number of members of the Zimbabwe-Rhodesian Parliament that they must accept changes to the constitution. That is a tall order. Bishop Muzorewa will need the support of a number of white Rhodesian MPs to

bring about a constitutional change that in effect would take away from them many of the safeguards that their electors believe to be vital to their interests.

If the Bishop is seen to be actively engaged in this type of exercise at the time of the Commonwealth Conference, then there is some chance that that meeting can pass off without Britain being isolated. One of the tightropes that Lord Carrington has to walk between now and November when the Prime Minister has effectively committed her Government to a non-renewal of sanctions—is that his initiative cannot work unless it receives a measure of international endorsement.

This international support for Britain's constitutional plans when they are eventually revealed is crucial to the Carrington exercise. The United States has already made it plain that it cannot support the Rhodesian constitution as at present written. If the Bishop can deliver a new constitution in Salisbury, then the U.S. can be expected to emerge as a supporter of whatever constitutional plans Lord Carrington unveils later in the summer. But of equal importance is the public backing of other important members of the European Community, and of the non-African members of the Commonwealth.

A settlement
But the key to Rhodesia lies in Africa itself. Not only does the Carrington initiative rely heavily on the person of Bishop Muzorewa who—put it at its kindest—still has to prove himself as a national leader. It implicitly hopes that somehow, somewhere along the line, "moderate" African States, presumably including at least one of the front line States, will accept whatever emerges from the coming process of "consultation," and that a political solution will in turn lead to an end to the fighting.

The most optimistic thing one can say about the latest initiative is that a large number of people in and out of Africa want a settlement of some kind, and that the Carrington initiative is better than no initiative at all. As Lord Carrington put it recently: he could not think of "anything more sensible to do."

Exploiting the North Sea

THE LATEST Government statistics on Britain's offshore oil assets confirm a disquieting trend. Once again they show that previous forecasts of available reserves and annual production rates were over-optimistic.

There is still a very good chance that the country will reach oil self-sufficiency next year, the long-held aim of both Labour and Conservative governments. But only reduced energy consumption—the result of the economic climate and conservation efforts—have made this achievement possible.

Mixed blessings
The Department of Energy's "Brown Book" report on offshore oil and gas indicates that crude oil production from the UK sector of the North Sea will reach only 85m to 105m tonnes next year and 95m to 115m tonnes in 1981. In each case the output will become 3m tonnes less than forecast next year. Five years ago it was forecast 1980 production would reach about 115m tonnes.

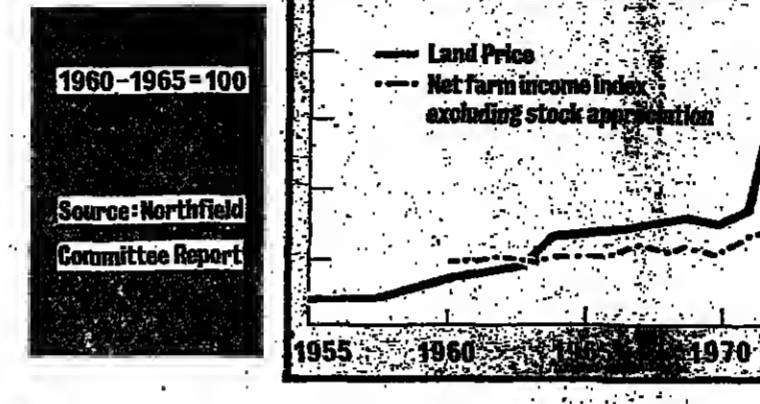
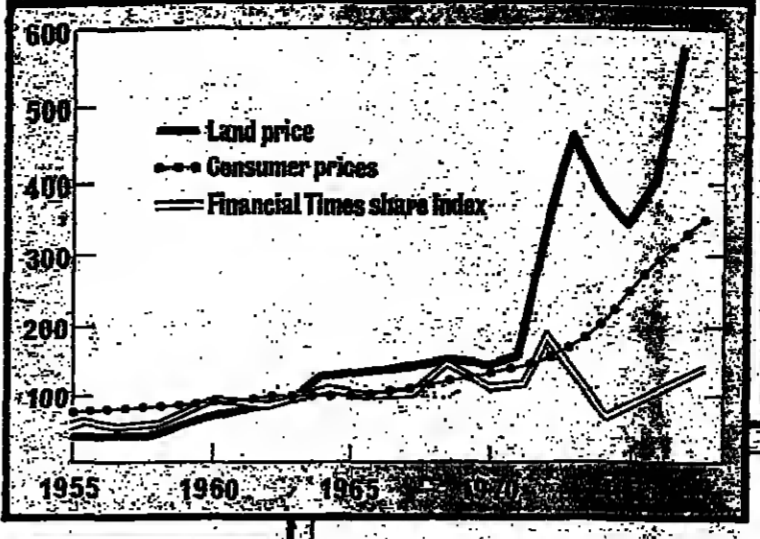
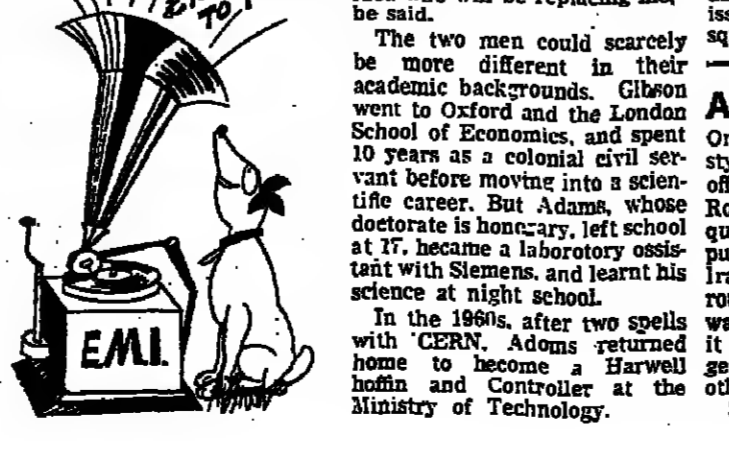
MEN AND MATTERS

Playing Cassandra on the chip

Pessimistic noises about property and shivers down the spine of many in the City. When the man making the noises controls £2bn of investment, and has a record of making the right decisions, the response is an awkward silence. Just back from Washington and full of enthusiasm about visiting "a paperless office"—and an organisation called the Paperless Office—Hugh Jenkins, investment manager of the National Coal Board Pension Fund, is reluctant to frighten anyone. The NCB, after all, has £850m in property. But increasingly, Jenkins is shying away from investment in office blocks.

The reason, quite simply, is that he believes the silicon chip will revolutionise the way offices work. "I know I'm out on my own," he says. "I'm not saying it's the end of the world for offices. But I think the paperless office is on its way."

He sees the danger of "high exposure to offices" (as the



Source: Northfield Committee Report

market each year in Great Britain. Furthermore, their preoccupation with the let land market (itself much smaller than the vacant possession market) means that their purchases of vacant land have "rarely" been as much as 5 per cent of that on offer.

Even in the let land market individuals still predominate. In 1977, 75 per cent of the total bought 2.5 per cent of the total land sold while individuals accounted for 51 per cent.

Overall the pensions funds, insurance companies and unit trusts own only 1.2 per cent of total agricultural land in Great Britain: compared with the 5.9 per cent in the hands of Government departments, local authorities and nationalised industries.

Even on the highest assumptions of future levels of purchases, the committee estimates that ownership of agricultural land by the institutions would exceed 11 per cent by the year 2020. And the likelihood is that the real figure will be much lower.

Nor does the committee believe that the institutions seriously affect land prices, although the minority report is concerned that rents on institutional land are higher than on other let farms. With the increasing predominance of the institutions in this market, together with the contraction of the market in any case as let farms are bought in, the committee is worried that the market will become too small and that the private landlord could be squeezed out.

In order to maintain even a 20/80 per cent split between let and vacant land, "substan-

tial" and "realistic" tax reliefs should be given to private landlords, the committee believes, although the report is a marked lack of unanimity over the actual measures.

Finally the members settled on a minimum package beginning with a recommendation for a Government study of the impact of Capital Transfer Tax on the ownership of farmland, and the introduction of a system of indexing CGT and Capital Gains Tax liabilities to take account of inflation and its effect on asset values.

This recommendation, as far as it goes, has already been welcomed by the farming community, but it seems unlikely to lead to any positive Government action in the absence of an overall review of capital taxation and the effect of inflation in all sectors.

The strength of the recommendation is further diluted by the committee's hopeless lack of consensus over other aspects of these taxes. A "majority" recommend deferment of CGT for lifetime transfers of let land within a family; "some" would like to see interest relief on CGT incurred on let land extended for the same period as vacant land; and a "minority" want CGT deferred where a property is sold and the proceeds reinvested in improving let land.

and medium-sized tenants give new farmers a start. The Government could... its holdings by, in certain taking land in lieu of tax, it could encourage the formation of more tenancies suitable for beginners by helping large-scale landowners to hand part of their holdings to a form of charitable trust.

The report also calls for restoration of the Minister's right to veto sales of small holdings by local authorities. Local authorities find these holdings traditionally a useful first step into farming, expensive to run and burdensome to administer. But the committee fears that they have to be sold, they should not be absorbed by big farmers but maintained as smaller units, possibly still under public control.

As became apparent while the committee was working, overseas buyers have only a tiny holding in British agriculture at the moment. While land is relatively cheap in this country—generally about a third of the price in Continental Europe—buying interest as opposed to "window shopping" has been strictly limited in recent years by Government policy on farm produce prices.

However, it is now becoming apparent that the new Government is set on expanding agriculture and has already taken steps to boost returns faster than Labour planned. Inevitably, farms in Britain will become more attractive to overseas buyers in the next five to 10 years, and it makes sense for some monitoring system to be established to keep an eye on their activities.

Evidence of what could happen in Britain is available from Ireland, which has rapidly aligned its farm produce prices with the full "common" levels reigning in the rest of the Community. To howls of protest from the locals, German farmers have begun to establish themselves in the Republic. But there is also evidence that rather than seek new holdings in Europe, continental producers, growing rich on the highest guaranteed prices in the world, are looking further afield.

Lord Northfield commented that foreign investment was not yet "out of hand," but the avalanche is approaching. In truth there is no justification why overseas investors should not move into British agriculture in much the same way as they are involved in any other industry.

Mr. Peter Walker, the new Minister of Agriculture, now has the task of sifting through the 377-page document and its 127 recommendations. His reactions, as a man who has declared himself devoutly opposed to the appointment of large committees spending years preparing weighty reports which are often out of date before they are printed, will be "interesting" enough. But probably the first opportunity to judge the report's influence will come when the Chancellor completes and acts on the study of capital taxation he promised in the Budget.

Expensive enterprise

Tenancies provide opportunities for farmers moving up the ladder from the lowest rungs, and the committee takes the traditionalist view that as many potential openings as possible should be maintained, in what is now a wildly expensive enterprise for a newcomer.

Mr. Silkin was concerned as much about the possibilities for young farmers starting up as about the role of institutions and foreigners. The report stresses the need to maintain a supply of lettable farms, but draws the line at grants and subsidised loans similar to those used elsewhere in the European Community.

Nationalisation of land, a favourite hobby-horse of the Labour Party's national executive, is rejected on "agricultural grounds," but the report says there is a case for limited extension of state holdings which could be split into small

Airport friends

The exiles from France's former colonies in Indochina are nightly confused by the way French politicians welcome those who are permitted to enter the country. Only the Communists, who naturally claim that the refugees are not really refugees at all, have had no truck with the competition to win kudos from the operation.

Main contestants in the race to prove themselves the most popular politicians in the refugee business are President Giscard, his arch-rival Jacques Chirac, and Socialist leader Francois Mitterrand.

When Chirac announced that he would be turning up at Charles de Gaulle airport to welcome 170 refugees who would be looked after by the city of Paris, Giscard went exactly one better, by bringing in a Jumbo-load of 171 refugees. And instead of a mere mayor, they were greeted by a junior minister, Secretary of State for Health Daniel Hoelzel.

It seems originally 128 were due on the plane, but the Elysee issued a last-minute order to squeeze in a few more.

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Normal first day of issue facilities will also be provided.

The Post Office

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FINANCIAL TIMES

Eurobond Quotations and Yields



THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

At 30th JUNE, 1979

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers at the last working day of each month. There is no single stock exchange for Eurobonds in the usually recognised sense... secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres. Membership of the AIBD (which was established in 1969) comprises over 60 institutions from about 27 countries.

Eurobonds in June

BY FRANCIS GHILES

By late June, private and institutional investors had taken leave of absence from the dollar sector of the Eurobond markets. The month of June had opened on a hopeful note. Growing indications of a coming recession in the U.S. suggested that dollar interest rates were probably close to their peak, and this tempted many investors to buy dollar bonds. By the end of the month however, currency uncertainty made the investment community retreat in this sector as it tried to decide what effect the increase in oil prices would have on an increasingly embattled dollar. As dollar bond prices weakened the Deutsche-Mark sector of the bond market looked increasingly attractive to investors. The turnaround here was swift and enabled the German banks to increase sharply the number of new DM denominated issues they were offering in the market. The sterling sector also proved very attractive to investors as the UK currency rose sharply, not only against the U.S. dollar but against the harder currencies. Among those borrowers tapping the dollar sector of the market last month, U.S. corporations were again much in evidence. The attraction for such borrowers of coming to the Eurobond market rather than the U.S. domestic market are not new: issues can be launched and completed within a week and the call provisions are far more enticing than those available on domestic U.S. issues. With bankers disagreeing until recently on how fast U.S. interest rate levels were likely to decline and how well the dollar would perform, the speed with which a Eurobond can be floated need not be underlined. Some issues were well received—the most prestigious borrower was probably GMAC. This \$100m issue was led by Chemical Bank Int, the first time this bank has led a straight dollar Eurobond issue. Not all U.S. corporate names met with such a warm market reception, either because the yield they offered was considered too low by investors or because by the middle of the month the amount of new paper on offer was such as to provoke a generalised state of indigestion in the market. The dollar weakened just at that point thus further contributing to the weakness and volatility of this sector. The turnaround was so swift that Westdeutsche-Landesbank was able to announce both a cent in the coupon on the bond it was offering for Norges Kommunalbank (from 8 per cent to 7 1/2 per cent) and an increase in the amount from DM 100m to DM 150m, a most unusual combination. This success story happened less than two weeks after the German capital markets Sub-Committee, which meets at monthly intervals to determine the new issue calendar for Deutsche-Mark bonds, had decided to allow only one issue to be launched during June because of the bad state of this sector of the market. When the Sub-Committee met the following week, on June 27, it decided to allow a modest calendar of DM 580m worth of new issues to be floated in the four weeks to July 23. This figure included a DM 400m bond for the World Bank which was so well received last week that the lead manager of the issue, Deutsche Bank, was able to price it at par and a half. All points to continued investor demand for DM denominated paper, even over periods of two and three days during which the dollar is stable. Early in June, the French, Belgian and Swiss banks were among the strongest believers in the upward potential of the West German currency. By the end of June they had been joined by many U.S. based London houses, some of which admitted, some days, to be dealing exclusively in Deutsche-Mark paper. The Swiss Franc sector has also been firm though prices of Swiss franc pounds have risen less than those of D-Mark denominated paper. The other sector where investors have been looking to substantial gains has been in sterling denominated bonds. The rise here is attributable to the spectacular strengthening of the UK currency which by the end of last week had reached its highest level against the dollar since June 1975. Sterling had also appreciated considerably against the harder currencies. No flood of new issues marred the pleasure for holders of sterling bonds who were able to watch most issues rise and some get very close to, if not over, par.

CONTENTS

Table with columns: GROUP HEADINGS, PAGE, GROUP HEADINGS, PAGE, GROUP HEADINGS, PAGE. Lists various bond categories like US Dollars, Euro Currency Units, etc.

The table of quotations and yields gives the latest rates available on 30th June, 1979. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete. All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

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Table with columns: COUNTRY, MATURITY, PRICE, YIELD, etc. Section: US DOLLARS-CANADA (CONTINUED)

Table with columns: COUNTRY, MATURITY, PRICE, YIELD, etc. Section: US DOLLARS-GERMANY (CONTINUED)

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Table with columns: COUNTRY, MATURITY, PRICE, YIELD, etc. Section: US DOLLARS-GERMANY (CONTINUED)

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Large financial table with multiple columns containing market data, including bond yields, interest rates, and exchange rates for various countries like the US, UK, and Germany.



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Table titled 'Austrian Quotes' and 'Quotations and Yields of Austrian Eurobonds'. It lists various bond issues with columns for Issue, Coupon Dates, Repayment, Sinking Fund, Price, Current Yield, and Current Yield to Maturity. Includes sections for D-Mark Bonds, U.S. Bonds, and Domestic Issues.

Advertisement for Girozentrale Vienna. Text: 'Market Maker in Austrian Eurobonds. On international capital markets Austria ranks as Triple A. Shrewd investors prize Austrian securities as safe and attractive investments.' Includes Girozentrale logo and contact information.

Table with columns: COMPANY, MARKET, PRICE, and various financial metrics. Includes sub-sections for 'IN DOLLARS - FOREIGN EXCHANGE (CONTINUED)' and 'IN DOLLARS - STOCKS (CONTINUED)'.

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Table with columns: COMPANY, MARKET, PRICE, and various financial metrics. Includes sub-sections for 'IN DOLLARS - FOREIGN EXCHANGE (CONTINUED)' and 'IN DOLLARS - STOCKS (CONTINUED)'.

Table with columns: COMPANY, MARKET, PRICE, and various financial metrics. Includes sub-sections for 'IN DOLLARS - FOREIGN EXCHANGE (CONTINUED)' and 'IN DOLLARS - STOCKS (CONTINUED)'.

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Table with columns: COMPANY, MARKET, PRICE, and various financial metrics. Includes sub-sections for 'IN DOLLARS - FOREIGN EXCHANGE (CONTINUED)' and 'IN DOLLARS - STOCKS (CONTINUED)'.

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Main financial table with multiple columns: Country, Currency, Instrument, Price, Yield, etc. Includes sections for US Dollars, Canadian Dollars, and Eurodollars.

Continuation of the financial table, including sections for Eurodollars (continued), Canadian Dollars (continued), and Eurodollars (continued).

Main financial table with multiple columns: Issuer, Maturity, Price, Yield, etc. Includes sections for 'WESTLB SD CERTIFICATES', 'WESTLB EURO-DEUTSCHMARKBOND YIELD INDEX', and 'WESTLB QUOTATIONS AND YIELDS'.

WestLB SD Certificates (Schuldschein-Index)

4 years maturity: 7.70% 5 years maturity: 7.85%

WestLB Euro-Deutschmarkbond Yield Index

June 29, 1979: 7.25% (May 31, 1979: 7.34%)

WestLB QUOTATIONS AND YIELDS

"Life" and "Maturity" appear in years and decimals of years and are in this context calculated as follows: - fixed maturity in case of a term-sum repayment...

Table of WestLB quotations and yields with columns for Issuer, Maturity, Price, Yield, etc.

Handwritten Arabic text: 'مکان العمل' (Place of work)

Handwritten text: JPL 110150

WestLB Euro-Deutschmarkbond Quotations and Yields Advertisement

Table with columns: Issue, Middle Price, Current Yield, Life, Yield to Maturity, Redemption D - mandatory drawing by lot at par S - sinking fund. Contains financial data for various bonds.

Table with columns: Issue, Middle Price, Current Yield, Life, Yield to Maturity, Redemption D - mandatory drawing by lot at par S - sinking fund. Contains financial data for various bonds.

Table with columns: Issue, Middle Price, Current Yield, Life, Yield to Maturity, Redemption D - mandatory drawing by lot at par S - sinking fund. Contains financial data for various bonds.

WestLB logo and contact information for Westdeutsche Landesbank Girozentrale, including phone numbers and addresses in Düsseldorf and London.

Westdeutsche Landesbank Girozentrale logo and text: Leading Marketmakers in Eurobonds.

WestLB logo and contact information for Westdeutsche Landesbank Girozentrale, including phone numbers and addresses in Düsseldorf and London.

UK COMPANY NEWS

Handwritten note in a box: 100% 100%

Barker & Dobson profits push ahead to £926,000

Profit of Barker and Dobson Group advanced from £826,000 for the year ended March 31, 1979, after a reduction of £100,000 at the interim stage...

BOARD MEETINGS

The following companies have notified their shareholders of board meetings... BARKER & DOBSON: July 12, 1979...

Marling improves strongly to £1.31m

WITH TURNOVER up £3.2m to £17.54m, taxable profits of Marling Industries, maker of industrial textiles, moved ahead from £898,000 to a record £1.31m for the year ended March 31, 1979...

Eurotherm up £0.17m halfway

On turnover well ahead from £7.58m to £10.13m, taxable profits of Eurotherm International, which came to the market in May last year, rose from £978,000 to £1.15m in the half-year to April 30, 1979...

After minorities the attributable profit comes out at £866,000, compared with £886,000. comment As ever, the investment ratios for Eurotherm are frightening...

ARROW CHEMICALS HOLDINGS LIMITED (Incorporated in England under the Companies Act 1948) SHARE CAPITAL: Authorised £1,725,000, Issued and fully paid £1,500,000...

LOCAL AUTHORITY BONDS Every Saturday the Financial Times publishes a table giving details of Local Authority Bonds on offer to the public. For advertising details please ring Brian Kelaart 01-248 8000 Extn. 266

Philip Harris upsurge

THE CONSIDERABLE year-end improvement forecast by Philip Harris (Holdings) turns out to be from a taxable profit of £702,234 to one of £1.15m. Turnover in the year to March 31, 1979, advanced from £9.23m to £13.31m...

Table with 2 columns: 1978-79, 1977-78. Rows include Sales, Trading profit, Retail, Associated companies, Pre-tax profits, Net profit, Exchange loss, Extraordinary debit, Available, Dividends.

Neil & Spencer rises and sees further progress at year-end

THE directors of Neil and Spencer Holdings announce taxable profits of £725,000 for the half year ended May 31, 1979, against £386,000. The current level of trading is encouraging, they state, and further progress is expected during the second half...

June 30, 1979. Investments are valued at £783,235, compared with £683,202. Net asset value per 25p share is given as 99p, against 89p at December 31, 1978...

Sir Samuel Goldman, chairman, said that if the group's recovery continued on a sufficient scale and the capital reconstruction proposals were approved and put into effect, the group would be in a position to consider a resumption of dividends in respect of the current year...

Today's company meetings

Barrow Heburn, Connaught Rooms, Great Queen Street, W.C. 11, Copper Neil, Midland Hotel, Manchester, 11.30. Energy Services and Electronics, Piccadilly Hotel, Piccadilly, W. 12. Executive Clothes, Pateley Room, Queens Hotel, Leeds, 11.30...

Hargreaves profit maintained despite exceptional conditions

- But for the exceptionally severe weather and third party industrial disruptions in the first three months of 1979, the profit for the year ended 31st March would have been significantly higher. Turnover rose 8% to £165.7 million and pre-tax profit was maintained at £3.4 million. The total dividend per share was increased to 3.592p. The proposed rights issue of one-for-three will strengthen the Group's capital base and enable it to take advantage of opportunities for growth.

HARGREAVES GROUP Commercial vehicle distribution; contracting and waste disposal; fertilisers; fuel oil and solid fuel; plant hire; quarrying; transport.

Investors Capital increases

Gross revenue of Investors Capital Trust increased from £1.72m to £1.86m in the half-year to May 31, 1979. In the last full year, gross revenue reached £3.65m (£3.27m). The net interim dividend is stepped up from 0.7p to 1.15p per 25p share...

Dunferline B.S. assets at £73.3m

Dunferline Building Society made a successful start in 1979. In the six months to June 30, total assets increased by 8.6 per cent to £73.3m, against £67.5m at December 31, 1978...

HILL SAMUEL

The Hill Samuel group announced yesterday that its initial offer for its new Special Situations unit trust, launched at the beginning of this month, has attracted more than £1m.

GREENBANK TRST

Gross investment income of the Greenbank Trust rose from £24,035 to £28,557 in the half year to June 30, 1979.

Encouraging start for Ansbacher

The change of name to Henry Ansbacher Holdings, and the capital reconstruction of Fraser Ansbacher were formally approved by shareholders at an extraordinary general meeting following the AGM held in London yesterday.

Rediffusion Good Long-Term Outlook The 51st Annual General Meeting of Rediffusion Limited will be held on 1st August at the Institute of Directors, Pall Mall, London, S.W.1. The following are highlights from the Review by the Chairman, Group Captain Hugh Dundas, C.B.E., D.S.O., D.F.C., D.L., which has been circulated with the Report and Accounts for the year ended 31st March 1979.

MINING NEWS

Gold mine profits rise in June quarter

BY KENNETH MARSTON, MINING EDITOR

A GOOD start is made to the South African gold producers' June quarterly reporting season by the mines in the Consolidated Gold Fields group.

As usual, the most notable increases in net profits have been achieved by the lower gold grade, or marginal, mines.

already announced it is hoped to start trial milling towards the end of this year.

The one major disappointment comes from Venterspost which reports a fall in profit and has had to turn to State assistance.

North BH lifts its stake in EZ Industries

NORTH BROKEN HILL, the Melbourne mining and investment house, yesterday emerged as the largest single shareholder in EZ Industries with a 14.88 per cent stake following heavy trading on the Australian exchange.

At that time the company was forecasting recovery from three years of losses to taxable profits of not less than £180,000.

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Ashton: mixture as before

THE LATEST quarterly progress report from Conzinc Riotinto of Australia's intriguing Ashton diamond prospect in Western Australia contains little in the way of exciting new diamond finds.

These parcels are only about one-fifth the size normally required to indicate the likely average value of diamonds in a pipe.

In scout sampling of seven pipes at the Ellendale area one stone of 1.33 carats has been recovered, being part of 91 diamonds with a total weight of 2,830 tonnes of material treated.

BIDS AND DEALS

Dunlop in £1.2m agreed bid for Hawthorn Baker

BY CHRIS CAMERON-JONES

Dunlop, tyre producer, has made an agreed cash bid worth about £1.2m for Hawthorn Baker, printing equipment manufacturer.

The move derives from the announcement in March that two major Hawthorn shareholders, Mr. H. Colman, the chairman and managing director, and Mr. J. Thomas, a former joint managing director and now a non-executive director, wished to dispose of their equity in the company.

At that time the company was forecasting recovery from three years of losses to taxable profits of not less than £180,000.

After a tax charge of £56,000, against a credit of £20,174, net surplus was ahead from £3,281 to £141,302.

After a tax charge of £56,000, against a credit of £20,174, net surplus was ahead from £3,281 to £141,302.

Additional options have also been granted which will enable Mobil to extend the contract for

two further periods of one year each. If Mobil exercises all its options, the contract will continue until the end of 1983.

It now says the estimate has been made on the basis that the companies are sold as independent entities and as going concerns in current market conditions by a willing seller to a willing buyer.

Additional options have also been granted which will enable Mobil to extend the contract for

DONALD MACPHERSON GROUP LIMITED. Extracts from Interim Statement. Turnover: 36,047. Pre-tax profits: 2,028. Earnings per share: 8.9p.

OFFSHORE INVESTMENT CENTRES. by J. F. Chown and T. F. Kelen. REVISED EDITION 1979.

Wrighton rises to £491,000. Net revenue of United British Securities Trust rose from £1.99m to £2.28m in the year to June 30, 1979.

CAUSTON RIGHTS 87.23% TAKEN UP. The recent rights issue by Sir Joseph Causton and Sons has been taken up in respect of 2,287,446 ordinary shares (87.23 per cent).

CORAL INDEX Close 472.477

INSURANCE BASE RATES. Vanbrugh Guaranteed 111%. Property Growth 114%.

Ayer Hitam's tin output

LOWER tin concentrate production for June is reported by the Eastern Malaysia Mining Corporation group.

Table with columns: June, May, April, tonnes. Rows: Ayer Hitam, Benua, Kamunting, Karaman, Kuala Lumpur, Lower Perak, Malayan, S. Kinta Cons, S.M., Sungai Besi, Tonoh Harb., Tonoh Mines.

MINING BRIEFS

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA. Coal production during June was 3,290,877 tonnes.

KCA/MOBIL

A contract between KCA Drilling, a subsidiary of KCA International, the oil service and contracting group, and Mobil North Sea for development drilling in the North Sea on Mobil's Beryl Alpha platform has been extended by two years from the end of the current contract on December 31, 1979.

ASSOCIATE DEAL

Baring Brothers and Company bought 25,000 ordinary shares in Gough Brothers on July 3 at 129p for Scottish and Newcastle Breweries.

Utd. British Securities

Net revenue of United British Securities Trust rose from £1.99m to £2.28m in the year to June 30, 1979.

Fredk. Parker slumps—reshaping

Taxable profit of Frederick Parker, the unquoted engineering concern, slumped by £2.32m to £318,000 in the first half of 1979/78.

The proposal is for the new group to acquire existing shares on one-for-one basis and for the transfer of all subsidiaries to the holding company.

East Midland Allied Press

At the annual meeting of East Midland Allied Press, Mr. F. Rogers, chairman, said that trading results so far this year were satisfactory.

Coates S.A. declines

Coates Bros. (South Africa), the 88.4 per cent owned printing ink producing subsidiary of Coates Bros. UK, announces a 4 per cent turnover decline from 1978 to the six months to April 30, 1979.

Wrighton rises to £491,000

Wrighton, the Sheffield-based offshoot of the £40m Valor Gas group, has arranged an exclusive agreement to supply griddle plates to all McDonald's Restaurants in Britain and Europe.

CAUSTON RIGHTS 87.23% TAKEN UP

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WEEKS PETROLEUM LIMITED. Authorised US\$ 1,000,000. Convertible Preferred Ordinary Shares of US\$0.10 par value. Issued and fully paid US\$ 999,930.

halma. Pre-tax Profit + 34%. Profit/share + 30%. Dividends + 111%. Record results... strong cash flow and higher return on capital employed.

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NORTH AMERICAN NEWS

Ruling on Becton Dickinson deal

BY STEWART FLEMING IN NEW YORK

A FEDERAL judge has ruled that Sun Company and several investment bankers, including Salomon Brothers and Federal Street, violated takeover laws last year when they bought 34 per cent of Becton Dickinson through a private purchase of stock for around \$300m.

to be challenged. Salomon Brothers announced yesterday that it believes the findings are wrong so far as its involvement in the case is concerned, and that it will appeal the ruling.

district court for the southern district of New York has ruled that the stock purchase did indeed amount to a tender offer and that it was "designed in intent and purpose and effect to effectuate a transfer of at least 20 per cent controlling interest in Becton Dickinson to Sun, in a swift, masked manoeuvre, in violation of the intent of the Williams Act.

Dow Jones profits increase

By Our Financial Staff

DOW JONES, the major information and publishing group, announced an increase of 16.6 per cent to \$23.8m in earnings in the first half of the year, with share earnings showing a rise from \$1.33 to \$1.54.

IBM reviews trial strategy during anti-trust case recess

WASHINGTON

The trial of the Justice Department's 10-year-old anti-trust case against International Business Machines (IBM) has been recessed to allow the IBM Board to consider major changes in litigation strategy.

both the company and the Justice Department. Successful settlement negotiations appear the least likely outcome at this point because both sides have invested so much time and money in the case.

IBM reviews trial strategy

The second quarter brought net earnings 18 per cent higher at \$13.1m, on sales increased by 21 per cent to \$107.7m.

Mrs. Hills, former Secretary of Housing and Urban Development, said the Board would consider a wide range of options in the case, based on the recommendation of a special committee of outside directors who are also attorneys.

IBM's lead attorney, Mr. Thomas Barr, said he told Judge Edelman that there were no current settlement negotiations under way with the Justice Department.

GAMBLING IN THE BAHAMAS

Stricter controls for casinos

BY NICKI KELLY IN NASSAU

NEW AND stricter controls over casino gambling in the Bahamas are to be introduced as a result of allegations that Resorts International, which operates two of the country's three casinos, used political contributions, gifts and cash payments to win a government extension of its licence to operate the Paradise Island casino.

reference also include taking whatever steps may be necessary to protect the public interest and preserve the dignity of the Commonwealth of the Bahamas.

the Opposition Bahamian Democratic Party had sought the appointment of an impartial Commission of Inquiry with the seven-member House Committee weighted on the side of the PLP.

The chairman of the Gaming Board, Mr. Perry Christie, has already announced that the proposed measures will include a ban on political contributions by casinos.

The proposed new controls have arisen out of the general concern in the Bahamas over the unfavourable publicity generated by allegations about Resorts International's operations there

Neither the PLP nor the FNM have denied receiving money from Resorts. Such contributions are not considered illegal, and are justified by Bahamian politicians as necessary to maintaining the two-party system.

Disclosure of the alleged pay-offs came earlier this year during hearings by the New Jersey Casino Commission on Resorts' application for a permanent Atlantic City casino licence.

the company has contributed more than \$700,000 to Bahamian political parties and ranking elected officials over the past 10 years.

Since the first gaming establishment was opened in Freeport in 1965, casino gambling has become the country's second largest source of tax revenue, earning more than \$62m since that time.

Mr. Davis said that such corporate contributions were legal and common practice in the Bahamas. In most cases, he added, they were made after the company was asked for them.

Mr. Probinsky said the "dialogue" he created between Resorts chairman, Mr. James Crosby, and the Prime Minister during 1973 and 1974 led to Resorts being awarded a ten-year management contract for the Paradise casino in 1977.

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U.S. \$20,000,000 The Taiyo Kobe Bank, Ltd. Floating Rate Certificates of Deposit due 1984

Salomon Brothers International One Moorgate, London EC2R 6AB

New York City prepares to test money market

NEW YORK

NEW YORK—New York City will shortly face a significant test of its financial standing in the credit market.

than the State-backed notes, said Mr. Thomas de Rogatis, deputy City controller. He said New York is currently considering the sale of tax-anticipation notes in September or November.

Simpson-Sears progress

TORONTO

TORONTO—Simpson-Sears, the 50 per cent owned Canadian affiliate of Sears Roebuck and Co, expects "improved" first-half earnings this year and at least a 10 per cent sales increase for the full year.

Earnings rise at Mellon National

BY OUR FINANCIAL STAFF

FURTHER acceleration in earnings growth is reported in the second quarter by Mellon National Corporation, the parent company of Mellon Bank.

INTERNATIONAL CAPITAL MARKETS

Moller completes \$100m North Sea oil financing

BY JOHN EVANS

A \$100m 10-year credit to finance the Gorm development in the Danish sector of the North Sea has just been completed.

credit for the Instituto Nacional de Vivienda, is almost complete. This transaction at a 3 per cent margin is led by the Credit Commercial de France.

The borrowing is by the A.P. Moller Group. The credit carries a spread arrangement of 1 and 1 per cent points over interbank rates.

The French agency, Caisse d'Amortissement pour l'Acier (CAPA), which was set up to handle the debt servicing of French steel companies, has arranged an \$85m credit through an international group led by Citicorp.

UBS issues third convertible bond

BY FRANCIS GHIES

UBS (SECURITIES) is to manage for Union Bank of Switzerland (Panama) an issue of 100,000 convertible bonds, each with a face value of approximately \$1,150.

The secondary market in dollar bonds was very quiet yesterday, with no real change in prices.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobonds published on the second Monday of each month.

Table with columns for U.S. DOLLAR, OTHER STRAIGHTS, DEUTSCHE MARK, SWISS FRANC, and CONVERTIBLE BONDS, listing various international bond issues.

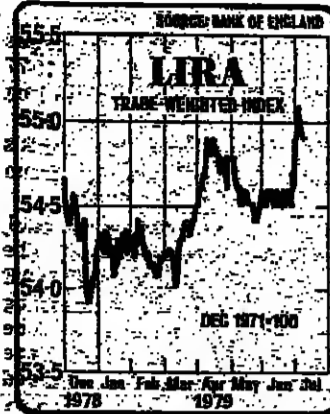
AP-DJ

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CURRENCIES, MONEY and GOLD

Pound firm; dollar weak

Trading in yesterday's foreign exchange market centred on... showing relatively little movement.



The Canadian dollar gave up 10 pips made on Monday... The dollar was fixed lower at yesterday's fixing.

THE POUND SPOT AND FORWARD

Table with columns: July 10, Day's spread, Close, One month, % Three months, % p.a.

THE DOLLAR SPOT AND FORWARD

Table with columns: July 10, Day's spread, Close, One month, % Three months, % p.a.

CURRENCY RATES

Table with columns: July 10, Bank rate, Special Drawing Rights, European Currency Unit, etc.

CURRENCY MOVEMENTS

Table with columns: July 10, Bank of England Index, Morgan Guaranty changes %

OTHER MARKETS

Table with columns: July 10, Argentina Peso, Australian Dollar, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, % change, % change against the dollar, etc.

EXCHANGE CROSS-RATES

Table with columns: July 10, Pound Sterling, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: July 10, Sterling, U.S. Dollar, Canadian Dollar, etc.

INTERNATIONAL MONEY MARKET

Paris rates easier

Interest rates moved slightly easier yesterday... The three-month rate was also down at 8.70-8.90 per cent.

GOLD

Record close

Gold rose by \$3 an ounce in the London bullion market yesterday to finish at a record close of \$290.1-291.1.

UK MONEY MARKET

Large shortage

Bank of England Minimum Lending Rate 14 per cent... Day-to-day credit was again in short supply in the London money market yesterday.

MONEY RATES

Table with columns: New York, Germany, France, Japan, etc.

LONDON MONEY RATES

Table with columns: July 10 1979, Sterling Certificates of deposit, etc.

A FINANCIAL TIMES CONFERENCE

BUDGET 1979

JULY 23 & 24, 1979 DORCHESTER HOTEL, LONDON

The Budget, Finance Bill and new directions for the British Economy are topics to be discussed at this Financial Times Conference to be held in London on July 23 & 24. Speakers will include:

- The Rt Hon Sir Geoffrey Howe QC MP, Chancellor of the Exchequer
The Rt Hon Denis W Healey MBE MP, former Chancellor of the Exchequer
Professor Douglas C Hague CBE, Deputy Director, Manchester Business School
Mr T Jackson, General Secretary, Union of Post Office Workers
Sir John Hedley Greenborough KBE, President, Confederation of British Industry
Mr B W Sutherland, Chairman of the Taxation Committees of the Association of British Chambers of Commerce and of the Institute of Directors
Mr Edgar Palamountain, Chairman, M & G Group Limited
Mr G T Pepper, Partner, W Greenwell & Co
Professor C T Sandford, Professor of Political Economy, University of Bath
Mr Richard Morgan, Director, J Henry Schroder Wagg & Co

For full details of the Conference programme please complete and return the coupon below.

BUDGET 1979

To: The Financial Times Limited, Conference Organisation, Bracken House, 10 Cannon Street, London, EC4A 3DF. Tel: 01-236 4382. Telex: 27347 FTCONF G

Please send me further details of BUDGET 1979 CONFERENCE

Form with fields: Name, Title, Company, Address, Tel.

A FINANCIAL TIMES CONFERENCE

COMPANY NOTICES

DEARER DEPOSITARY RECEIPTS MORGAN GUARANTY TRUST CY REPRESENTING SHARES MITSUBISHI ELECTRIC CORPORATION

GENEVA

Full Service to our Business Law and Taxation Mailbox, telephone and telex services

RESIDENTIAL PROPERTY

KAPNIST INTERNATIONAL NEAR MONTE CARLO Beautiful modernised flat overlooking bay with bedroom, bathroom, kitchen, drawing room, terrace. Under £100,000.

EDUCATIONAL

VACANCIES SUMMER SCHOOL Students 8-16 taught English by experienced teachers and cultural visits. Kings Byfleet 45107 or 41541.

CORRECTED NOTICES

TOKAY INDUSTRIES INC. (formerly Tokay Kautschuk) Karlsruhe

PUBLIC NOTICES

CENTRAL REGIONAL COUNCIL - £200,000 Bills issued 11.7.79 at a rate of 12.5% to mature 10.10.79.

PERSONAL

Not all today's war veterans are old soldiers Many of the young servicemen killed in Northern Ireland have widows and orphans behind. These must state the name and address of the person, or if a firm, the name and address of the firm, to whom they should be sent.

LEGAL NOTICES

In the HIGH COURT OF JUSTICE Chancery Division, Companies Court, in the Matter of SOUTHSTAR LONDON VINTNERS LIMITED and in the Matter of the Companies Act 1967, NOTICE IS HEREBY GIVEN that a Petition for the winding-up of the above-named Company...

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books - and forget it. But for some the war lives on. The disabled from both World Wars and from lesser campaigns, now all too easily forgotten; the widows, the orphans and the children - for them their war lives on, every day and in many cases, of course, there is help from a Pension. But there is a limit to what any Government Department can do.

The Army Benevolent Fund

for soldiers, ex-soldiers and their families in distress Dept. FT, Duke of York's HQ, London SW3 4SP

BETONASFALT CONSTRUCTION COMPANY LTD.

SEEKS U.S.\$3.35 MILLION ADVANCE PAYMENT BANK GUARANTEE LETTER FOR A CONSTRUCTION PROJECT IN LIBYA. TELEX: 523601 BETAS D MUNICH - W. GERMANY

WORLD STOCK MARKETS

Wall St. active but off 2.6 on profit-taking

INVESTMENT DOLLAR... problems of inflation and recession... Michael Metz, of Oppenheimer and Co. said the termination of merger talks between CIT Financial and RCA discouraged some speculators...

Canada... Stocks mainly plotted a downward path in further active trading... The Oil and Gas Index retreated 3.9 to 271.6 and Golds 43.1 to 384.9...

Germany... Share prices generally continued to ease, with buyers reluctant to increase positions... The DAX index closed at 2,350.75...

NEW YORK - DOW JONES

Table with columns for Date, High, Low, and Close for various stock indices and commodities.

STANDARD AND POORS

Table with columns for Date, High, Low, and Close for Standard and Poors indices.

MONTEAL

Table with columns for Date, High, Low, and Close for Montreal stock market.

TOBAGO Composite

Table with columns for Date, High, Low, and Close for Tobago Composite.

JOHANNESBURG

Table with columns for Date, High, Low, and Close for Johannesburg stock market.

TUESDAY'S ACTIVE STOCKS

Table listing active stocks with columns for Stock Name, Price, and Change.

NEW YORK

Large table listing various New York stock market data, including stock names, prices, and volume.

CANADA

Large table listing various Canadian stock market data, including stock names, prices, and volume.

GERMANY

Large table listing various German stock market data, including stock names, prices, and volume.

AUSTRALIA

Table listing Australian stock market data.

STOCKHOLM

Table listing Stockholm stock market data.

OSLO

Table listing Oslo stock market data.

JOHANNESBURG

Table listing Johannesburg stock market data.

EUROPEAN OPTIONS EXCHANGE

Table listing European options exchange data, including series, volume, and price.

BASE LENDING RATES

Table listing base lending rates for various banks and currencies.

AMSTERDAM

Table listing Amsterdam stock market data.

COPENHAGEN

Table listing Copenhagen stock market data.

MILAN

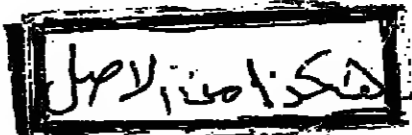
Table listing Milan stock market data.

VIENNA

Table listing Vienna stock market data.

Handwritten Arabic text: هكمان النحل





Spot silver hits peak dollar price

SPOT SILVER prices were fixed at over \$80 an ounce on the London market for the first time ever yesterday morning. The spot quotation was raised to 90.420 cents, up from \$89.20 previously, following a sharp rise in the U.S. market overnight.

Low stocks a boost to wool prices

VICTORIA—Low wool stocks in Australia and other wool-growing countries should mitigate the effects of any easing of prices caused by world recession in the 1979/80 season, Mr. Alf Maiden, Australian Wool Corporation chairman said here yesterday.

Fresh doubts on Soviet harvest

SOVIET GRAIN production this year may be at the lower end of the range forecast by the U.S. Department of Agriculture, according to a Government inspection team just back from a tour of the main cereal areas of the USSR.

Antimony producer ends price quotes

ANZON announced yesterday it had decided to stop publishing official prices for its antimony products, with immediate effect. The company claimed there was no sinister reason for the move, but it was a "biting" operation to bring its antimony pricing in line with its other main sales of zircon, where no official prices are quoted.

Whaling ban wins new support

THE TECHNICAL committee of the International Whaling Commission yesterday approved a ban on all commercial whaling in the Indian Ocean for the next 10 years. The committee's recommendation, passed by a vote of 14 to four with five abstentions, now goes to the IWC's plenary meeting for approval and possible adoption.

Tapioca imports

WIESBADEN—West German imports of tapioca and similar root products rose to 787,096 tonnes in the first five months of this year from 533,484 tonnes a year ago.

Price rise battle threatens

SEVEN TIN producing nations, accounting for 83 per cent of world production, assembled in Jakarta this week to work out a common stand on prices and other issues in debate with consumers. The seven countries have a theory that the market power of the oil producers cartel, OPEC, but this first ever meeting at ministerial level of the tin producing countries is not about to set up a comparable cartel.

'Outsiders no threat' to yeomen farmers

THE Northfield Committee was set an impossible task—to investigate UK farm land ownership—by Mr. John Silkin, then Minister of Agriculture; response to farmers' complaints that the British land was being increasingly purchased by financial institutions and foreigners to the exclusion of British yeomen.

BRITISH COMMODITY MARKETS

Table with columns for Base Metals (Copper, Tin, Zinc, Nickel, Silver), Grains, and other commodity prices. Includes sub-sections for 'ARE YOU MAKING MONEY IN COFFEE?' and 'SILVER'.

AMERICAN MARKETS

Table showing American market prices for various commodities including metals, grains, and oil.

PRICE CHANGES

Table listing price changes for various commodities such as tin, copper, zinc, and oil.

INDICES

Table showing various indices including Dow Jones, Financial Times, and others.

Advertisement for 'ARE YOU MAKING MONEY IN COFFEE?' featuring a large graphic of a coffee cup and text about commodity trading services.

Advertisement for 'SILVER' and 'COFFEE' with detailed price information and market analysis.

Advertisement for 'SUGAR' and 'GRAINS' with price lists and market commentary.

Advertisement for 'MEAT/VEGETABLES' and 'WHEAT' with price lists and market analysis.

Advertisement for 'ROLF & NOLAN' computer services, highlighting their expertise in accounting and data processing.

Advertisement for 'Wool Futures' and 'Cotton' with price lists and market analysis.

Advertisement for 'MEAT/VEGETABLES' and 'WHEAT' with price lists and market analysis.

Advertisement for 'EUROPEAN MARKETS' with price lists and market analysis.

LONDON STOCK EXCHANGE

Companies and Markets

Grim banking statistics fail to stall recovery in Gilts and equities - EMI and GEC outstanding features

Account Dealing Dates

Option
*First Declara- Last Account
Dealings Dealings Day
July 2 July 12 July 13 July 24
July 16 July 26 July 27 Aug. 7
July 30 Aug. 9 Aug. 10 Aug. 21

Now time... deals may take place from 3.30 am to business days... A better feeling developed early yesterday with stock markets fairly confident that a bad set of June banking statistics, distorted partly by increased lending to accommodate the pre-budget spending spree, had been discounted. Later confirmation that bank advances had indeed risen sharply, thus justifying the Government's recent clamp-down on credit, and of the increase in clearing bank eligible liabilities was taken quite calmly.

Leading shares consolidated on the earlier recovery, which was entirely technical and followed considerable investment and speculative support for EMI and GEC. The former rose 11 to 116p stimulated by the deal whereby Paramount Pictures will acquire a half-share in EMI's music operations for £70m, while GEC up 7 at 85p, responded to the possibility of the company gaining some of the £150m nuclear generator contracts which are in the offing.

listed sizeable gains including the engineering leaders, but ICI were held in check by further sales of employees' shares after 2.5 up at 10 am. The index made further steady progress and settled at the day's best with a rise of 7.0 to 475.7. The main body of secondary stocks, however, were untested and recorded minimal movements in either direction.

Sterling's renewed strength took some while to percolate through to Government stocks but buyers eventually began nibbling and quotations edged forward, led by medium-dated issues. The announcement later of the banking statistics brought a slight retreat, usually of 1 in all sectors, before most of the losses were regained in trade after the official close of business. Treasury 12 per cent 1984, on which the final call of £47.50 per cent is due today, rallied 1 in 5 1/2, along with Exchange, 131 per cent 1987, at 103 1/2.

Rates for investment currency continued to recover despite yesterday's good revival in the pound. Trade was again brisk although it was inhibited on occasion by the reluctance of sellers and the premium rose to 38 per cent before settling a net 14 points higher at 27 1/2 per cent. Yesterday's SE conversion factor was 0.9192 (0.9388). A better business in Traded

80p immediately in front of the announcement, Status Discount reacted on publication of the first-half figures which, although nearly 40 per cent up, failed to match best expectations and closed 5 down on balance at 73p. Elsewhere in Stores, W. Goodkind, firm recently following details of a large (29.9 per cent) shareholding changing 132nd, attracted fresh speculative interest and rose 5 to 62p. Publicity given to a broker's circular helped UPS harden a penny to 85p, while newspaper comment helped Marks and Spencer put on 2 to 113p.

Barclays better

The major clearing banks regained some composure after the previous day's dullness. Publicity given to a broker's circular helped Barclays pick up 1 to 468p, while Lloyds and NatWest rallied 2 and 3 to 355p and 350p respectively.

Narrowly mixed movements were the order of the day in Insurances after a quiet trade. General Accident edged forward 3 to 214p but Royals eased 3 to 340p. Leading Breweries finished slightly firmer for choice after a subdued business. Bass added 2 to 219p, while Scottish and Newcastle hardened a penny to 68p despite a broker's "sell" recommendation. R. P. Bulmer attracted a little interest in front of today's annual results and closed 2 to the good at 180p, while renewed rumours lifted Mather & Platt 1 1/2 to 148p. Among Distillers, Highland remained quiet, firming a penny to 93p in the ex-rights form, with the nil-paid adding a like amount to 4p premium. Sandeman jumped 10 to 75p following a revival of speculative interest and Amalgamated Distilled Products, which returned to the market on Monday after suspension, met a good two-way trade on Mr. James Gulliver's interest in the company and ended 2 better at 56p, a gain of 8 on the suspension price.

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Fairhair Lawson dull

Apart from Turner and Newson which softened 2 further to 130p, the miscellaneous industrial leaders staged a modest rally on technical influences. Ahead of next Monday's interim results, Rank Organisation improved 5 to 220p, while Unilever picked up 4 to 522p and Glaxo hardened 2 to 442p, after much-troubled Fairhair-Lawson remained in the doldrums, falling 3 afresh to 29p on the board's disclosure that it is still not in a position to assess fully the financial and trading position of Greenbait, its subsidiary which was estimated in May to have incurred losses of just over £1m, and that publication of the 1978 annual report has been postponed for another 6 weeks. Silhouette A, which returned to the market on Monday following the agreed bid terms from W. L. Pawson, encouraged profit-taking and closed 6 off at 80p.

The Engineering leaders staged a steady revival despite a fairly low level of trade. John Brown took a turn for the better with an improvement of 10 at 483p, while Hawker Siddeley was also noteworthy at 132p, up 2 from 127p and 27p and 27p and edged up 4 to 350p. Elsewhere, Howard Machinery came to life with a rise of 5 to 31p, last year the interim results were announced on July 25. Wincey-Ringhe were favoured at 260p, up 8, while NEI firmed 2 to 64p on hopes that the company will participate in the £150m contracts for nuclear power generators expected to be announced soon. By way of contrast, a steady revival in fresh selling and gave up 5 to 50p. Most leading Foods tended firmer in an improved business. Tate and Lyle fared best at 136p, up 4, while J. Sainsbury hardened 2 more to 355p and Associated Dairies added 4 to 257p. On the other hand, Rowntree Mackintosh remained sensitive to sporadic offerings and eased 2 more to 165p. An investment recommendation prompted a gain of 2 to 78p in Associated Biscuits, while Barker and Dobson firmed 2 to 22p in response to the annual results and capital proposals. A couple of pence firmer at

Initially on renewed uncertainty about the court case which resumes today on some of its casino licences, Ladbrokes subsequently rallied to 183p for a gain of 3 on balance. Takeover prospects stimulated further demand for Prince of Wales Hotels which added 6 for a two-day gain of 11 to 108p.

BP improve

Oil leaders edged higher in quiet trading. British Petroleum improving 15 to 1280p and Shell 8 to 388p. Dollar premium influences lifted Royal Dutch a point further to 237 1/2. Among the speculative issues, Oil Exploration reacted after 10:45p results tomorrow, but Royal Dutch closed at 320p for a net gain of 6. Buying interest was shown in Siebens (UK) which gained 14 to 244p and Lamsa, 6 to 30p at 246p.

Rothschild were again noteworthy in Trusts for a further rise of 5 at 245p in response to the preliminary results. Imperial hardened a penny to 97p, a three-day gain of 3 in anticipation of good August results tomorrow, but Rothmans ahead of the full results, eased a fraction to 89p. Steady Australians. Australians were the most active in generally subdued mining markets, with prices generally holding steady, helped by the higher investment-dollar Premium. Magnet Metals were a feature, rising 3 to 31p on U.S. buying. But the latest quarterly report from Consac Rintaco-down 3 at 183p-on the Ashton diamond venture evoked little enthusiasm. Ashton Mining were 5 lower at 85p and Northern Mining fell 3 to 53p. EZ Industries were 10 higher at 190p following the overnight auctioning in Melbourne of a parcel of their shares by B.M. South, whose price slipped 2 to 87p. But North B.E. firmed harder at 93p after the statement of their 14.6 per cent stake in B.M. was 7 firmer at 177p, following the scrip issue proposals, while Oil Exploration lost only 2p at 27p of their previous strong rise on consideration of the Griffiths gold prospect. Premium Financials, meanwhile, were mixed. Minor rose 20 to 174p, South African and U.S. buying being linked to rumours of an oil fund in Shell Transport. Unilever firmed 6 to 522p, reflecting the latest CSO sales figures. Other South African Financials

general downdrift on Monday, leading Properties made modest progress on a change in sentiment with Land Securities adding a couple of pence to 300p and Great Portland Estates picking up 4 to 314p. Elsewhere, renewed speculative demand took Bradford up 15 to 410p. Up a penny on Monday, second thoughts about the reduced annual income left Marler Estates 1/2 cheaper at 43p.

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FINANCIAL TIMES STOCK INDICES
Table with columns for various indices: Government Secs, Fixed Interest, Industrial, Gold Mines, Gold Mines (Ex-30m), Ord. Div. Yield, Earnings Yld, P/E Ratio, Total Bargains, Equity Turnover, Equity Bargains Total.

HIGHS AND LOWS
Table with columns for High, Low, and S.E. ACTIVITY. Includes Govt. Secs, Fixed Int., Ind. Ord., Gold Mines, and Gold Mines (Ex-30m).

took their cue from Golds, which moved gently lower in dollar terms, tending to bid their time as the bullion price, however, remained at a high level. But some light professional selling emerged, although prices did not come under serious pressure. The Gold Mines Index, reflecting the higher dollar premium, was up 0.3 at 163.3, while the ex-premium index was down 2.4 at 150.0. In sterling terms, prices were mixed, with West Drifts up 3 to 224p and Bannockburn higher at 225p. This had a very steady look after the overnight performance in the Far East and Sugar Beet was 10 harder at 250p on consideration of their sharply increased dividend.

OPTIONS
Table with columns for Denomina, No., Closing price, Change, 1979 High, 1979 Low. Includes EMI, GEC, ICI, BP, Allied Breweries, Beebam, Barclays Bank, Fisons, G.S.M.O., Shell Transport, Unilever, BAT's Defd., BOC Intl., Marks & Spencer.

ACTIVE STOCKS
Table with columns for Stock, Denomina, No., Closing price, Change, 1979 High, 1979 Low. Includes EMI, GEC, ICI, BP, Allied Breweries, Beebam, Barclays Bank, Fisons, G.S.M.O., Shell Transport, Unilever, BAT's Defd., BOC Intl., Marks & Spencer.

LONDON TRADED OPTIONS
Table with columns for Option, Ex're, Closing price, Vol., Closing price, Vol., Equity close. Includes AP, SO, Cons. Gold, Cons. Gold, GEC, GEC, GEC, Grand Met., Grand Met., ICI, Land Secs., Land Secs., Marks & Sp., Marks & Sp., Shell, Shell, Totals.

With the continuing sale of employee's shares a restraining influence, ICI fluctuated between extremely narrow limits and settled unchanged on balance at 300p. Collins added a penny to 91p after 92p, last year, the company announced annual results on July 12. A couple of pence firmer at

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APPOINTMENTS
New division for Ready Mixed

Mr. Peter L. Young, director of corporate planning of READY MIXED CONCRETE, has been appointed divisional managing director of a recently formed unit called the new Business Division. Mr. J. A. Fenbow has been appointed as chief accountant. Companies within the new division are Cibeo Insulations (UK), Katielise Group, Kingsmead Fish Farm, RMC Plant Products and Spooner Aviation. These companies were all acquired or formed as part of the RMC group's programme of planned diversification.



Mr. Peter Young

Mr. Peter Shlach is to become chairman of MACALLAN-GLENLIVET from August 1 on the retirement of Mr. G. C. Harbison, who will remain a director. At Air Astoria, Mr. William C. H. Phillips, previously finance director, will become managing director. Mr. Hugh Micallef will join the Board as marketing director and Mr. Grant Cochran as a non-executive director.

Mr. Evelyn de Rothschild, chairman of the Economist, has been elected president of the PERIODICAL PUBLISHERS ASSOCIATION for 1979-80. He succeeds Mr. Jeremy Potter of TV Times.

Mr. E. H. Thomas has resigned from the Board of PARINGA MINING AND EXPLORATION COMPANY because of other business commitments.

Mr. R. E. Broomfield and Mr. R. R. Meinhartshagen have resigned as directors of GRESHAM TRUST.

Mr. Richard Daglish, director of sales of MORE O'FERRALL, has been appointed a director of the company.

Mr. T. Onoda and Mr. D. N. Vermont have been appointed joint managing directors of the SUMITOMO MARINE AND FIRE INSURANCE COMPANY EUROPE and Mr. R. L. Scarle has joined the Board.

The Minister of Transport has appointed Mr. Hugh McNamara as chairman of Traffic Commissioners for the Scottish Traffic Area to succeed Mr. A. R. Birzie, who retires at the end of this month. Mr. McNamara is an assistant secretary in the Scottish Office.

Mr. R. McFarlane, associate director HENDERSON-KENTON, has been appointed a full Board member. He is in charge of the general management of the stores.

Mr. Graham Beverley and Mr. John Watts have been appointed directors of DUCTILE HOT MILL and DUCTILE COLD MILL, subsidiaries of Ductile Steels.

Mr. Moty Arieli is now vice president and senior operating

sibilities within Christian Salvesen (Food Services). Mr. Daniel B. Stewart, whole remaining managing director of Christian Salvesen (Transport), will become regional manager of the group's Scottish cold stores. Mr. Robert M. Fattall has been appointed a director of Christian Salvesen (Food Services) in charge of the company's cold stores in the south of England and the development of the new cold store site at Warrington. Mr. Freddie R. Craig, at present operations director of Christian Salvesen (Transport), has been made commercial development director of Christian Salvesen (Food Services).

Mr. Anthony Cayzer has been appointed chairman of AIR ANGLIA. He is a deputy chairman of the British and Commonwealth Shipping Company, which owns 86 per cent of the airline. Mr. Geoffrey A. Adkin and Mr. Neil M. Forster have become directors of Air Anglia.

Mr. Douglas Crawford, a director of the Polecon Company, is to be chairman of TECHNOLOGY TRANSFER INSTITUTE (UK), a company which specialises in the two-way exchange of technology and technological development between Japan and Western Europe.

Mr. John K. Pottle has been elected President of the SOCIETY OF COMPANY AND COMMERCIAL ACCOUNTANTS for 1979-80 and will be president during the Society's Jubilee. Mr. G. C. Smith has been appointed vice-president.

Mr. R. D. Gibson of Lloyd's has been elected chairman of the JOINT ARGO COMMITTEE for 1979-80. Mr. H. G. Merriman, chief marine underwriter of the General Accident Group, has become deputy chairman of the Committee.

Mr. P. L. Butler has been appointed a director of STEWART WRIGHTSON NORTH AMERICA GROUP.

International Shipping Trustees has formed IST MANAGEMENT SERVICES, the Board of the new company consists of Mr. Dennis F. Foot (chairman), Mr. Richie Hamilton, Mr. Peter E. Parry and Mr. A. D. Roper. In addition, Mr. N. J. Moon and Mr. Alan L. White have been appointed to the Board of International Shipping Trustees (UK). From July 1st all UK companies in the IST group will be located in Fitzwilliam House, Bracknell.

Mr. Bruce Weatherstone has been appointed group director of public affairs at CHRISTIAN SALVESSEN. He will also establish a company's European headquarters south-west of London.

Mr. Richard E. Marks has been appointed managing director, European operations, of MOLEX INTERNATIONAL, and will establish a company's European headquarters south-west of London.

NEW HIGHS AND LOWS FOR 1979

Table with columns for New Highs (8) and New Lows (33). Includes Treasury Stock, Gordon L.I., Brenner, Barker & Dobson, Cole & H., Goodkind, Cl. Bancarie, Hstoc Johnson, Hestech Fin., Lincoln Kilgus, Pethow, Acrow A, British Northrop, Swan Ryan Int, Breaks Watson, Chubb, Hestech Lawson, Hestech 7/12c.

RISES AND FALLS YESTERDAY

Table with columns for British Funds, Foreign Bonds, Financial and Corp., Div., CONSUMER GOODS, MINES, and Totals.

RECENT ISSUES

Table with columns for Issue, Amount, Date, High, Low, Stock, Change, and Price.

FIXED INTEREST STOCKS

Table with columns for Issue, Amount, Date, High, Low, Stock, Change, and Price.

"RIGHTS" OFFERS

Table with columns for Issue, Price, Latest, 1979, Stock, Change, and Price.

Renunciation date usually last day of dealing free of stamp duty. Figures based on prospective earnings. Assumed dividend and yield. Figures based on prospective earnings. Assumed dividend and yield. Figures based on prospective earnings. Assumed dividend and yield.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS
Table with columns for Index No., Day's Change, Div. Yield, Gross Yield, Rate, Index No., Index No., Index No., Index No., Index No., Year 1979 (approx).

FIXED INTEREST PRICE INDICES

Table with columns for British Government, 1-5 Years, 5-15 Years, 15-25 Years, All stocks, Time, Day's Change, Index No., Index No., Index No., Index No., Index No., Year 1979 (approx).

Table with columns for 20-yr. Red. Dah & Loans, Investment Trust Prefrs, Coml. and Indl. Prefrs, Time, Day's Change, Index No., Index No., Index No., Index No., Index No., Year 1979 (approx).

Redemption yield. Highs and low rates, price date and values and remaining changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracknell House.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs. (a), Abbey Unit Tr. Mgrs. (b), etc., with columns for name, manager, and other details.

Table listing various unit trusts including Minter Fund Managers Ltd., Minter Fund Managers Ltd. (a), Minter Fund Managers Ltd. (b), etc.

Table listing various unit trusts including Tower Unit Trust Mgr. Ltd., Tower Unit Trust Mgr. Ltd. (a), Tower Unit Trust Mgr. Ltd. (b), etc.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds such as Alexander Fund, Alexander Fund (a), Alexander Fund (b), etc., with columns for name, manager, and other details.

INSURANCE AND PROPERTY BONDS

Table listing insurance and property bonds including Abbey Life Assurance Co. Ltd., Abbey Life Assurance Co. Ltd. (a), Abbey Life Assurance Co. Ltd. (b), etc.

Table listing insurance and property bonds including Lloyds Life Assurance Co. Ltd., Lloyds Life Assurance Co. Ltd. (a), Lloyds Life Assurance Co. Ltd. (b), etc.

Table listing insurance and property bonds including Prudential Assurance Co. Ltd., Prudential Assurance Co. Ltd. (a), Prudential Assurance Co. Ltd. (b), etc.

NOTES: This section contains explanatory text and footnotes regarding the data presented in the tables above.

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FINANCIAL TIMES

Wednesday July 11 1979

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Oil self-sufficiency hopes face delays

BY KEVIN DONE, ENERGY CORRESPONDENT

HOPES that Britain will be self-sufficient in crude oil production early next year are fading because of delays in offshore construction programmes. The latest forecasts contained in the Department of Energy's annual report on the development of UK oil and gas resources suggest that production next year will reach only 85-105m tonnes, compared with the last estimate made in December of 90-110m tonnes. UK oil output this year should total 70-90m tonnes, the Department said, compared with production in 1978 of 54m tonnes. By comparison UK oil consumption is forecast at 96m tonnes for 1979. Net self-sufficiency is unlikely to be reached before the second half of 1980.

Howell, the Energy Secretary, stressed in the introduction that the report was prepared under the previous administration. "It goes to some pains, however, to urge oil companies to step up offshore exploration activity. The report makes clear that only 37 exploration wells were drilled last year compared with 67 in the previous year. At the same time expenditure on exploration fell in 1978 to £257m against £374m in 1977. Mr. Howell says in the report: "It is the aim of the present Government, that the vitally important further exploration work should go forward with increased vigour, so as to secure timely and successful development in the years ahead when production from existing fields begins to decline." The first major changes in North Sea policy should follow in the next few weeks when

The Government completes its review of both licensing policy for new exploration territory and the future role and functions of the British National Oil Corporation in the offshore industry. As much as 2.5bn tonnes of possible UK crude oil reserves lie in discoveries already made, according to the Department's report. Only a possible 0.9-1.8bn tonnes remain to be found in future discoveries. Total UK crude oil reserves are estimated at 2.4-4.4bn tonnes (18-33bn barrels). Of this nearly 1.4bn tonnes lie in proven reserves in existing discoveries, which also hold a further 509m tonnes of probable crude oil reserves. A total of 106m tonnes was produced to the end of 1978 since output started in 1975 from the Argyll Field. Details, Page 9; Editorial Comment, Page 16

Plea to monitor farm land buying

BY CHRISTOPHER PARKES

INSTITUTIONAL PURCHASES of agricultural land and investment in it from elsewhere in EEC should be closely monitored, an official report recommended yesterday. The report is by the Northfield Committee, set up 18 months ago by Mr. John Silkin when he was Agriculture Minister. It says that pension funds, insurance companies and buyers from overseas have been far less active in acquiring agricultural land than had previously been suggested. It is not true that their interest has forced prices up to artificially high levels, the report maintains. Against the popular belief in the industry that the so-called "new financial institutions" have been buying 15 to 20 per cent of land sold each year, the committee claims that the true figure is between 6 and 10 per cent. Nonetheless, even though the institutions now own a mere 1.2 per cent of all agricultural land in Britain, close monitoring is called for by the committee. It rejects the notion of restricting institutional purchases or interfering beyond strict monitoring in the activities of investors from other European Community countries, as long as their interest does not reach "unacceptable" levels. Overseas buyers, the report says, probably own little more than 1 per cent of British land.

Still, legislation should be prepared to allow for action if necessary. Lord Northfield, chairman of the committee, commented that land in Britain was sometimes only a third of the price asked in Europe. In many ways the UK was a "sitting duck" for foreign investors. To control non-EEC investors, legislation should be prepared to oblige them to seek Government permission to buy land, the report says. It largely dismisses most of the farmers' complaints about taxation. It agrees that under the existing regime many private owners of land will have trouble handing on their estates intact to their successors. But, given current relief, only large-scale owner-occupied enterprises would have to resort to land sales to reduce or meet tax liabilities. The committee complains that its work was greatly hampered by the scarcity of statistics on the land market, and recommends that, apart from the immediate institution of monitoring of sales to the newcomers to the market, the Government should establish a comprehensive land register, "with land use identified and beneficial interests visible." Report of the Committee of Inquiry into the Acquisition and Occupancy of Agricultural Land; SO, 26. Feature, Page 16; Commodities, Page 27

TWA drops some flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TRANS WORLD AIRLINES, one of the biggest airlines in the world, is cutting some flights between the U.S. and international destinations from the end of the summer, because of fuel shortages and soaring prices. From October 8, a twice-weekly service between Boston and the Azores will be ended, together with a three-times weekly service between Lisbon and Casablanca, and between Barcelona and Nice. From October 28, a daily flight between New York and Shannon and Dublin will also be dropped. These services represent less than 1 per cent of TWA's total capacity. While fuel difficulties have caused some foreign and U.S. domestic airlines to reduce the frequency of some flights, this

is the first time that they have prompted a big international airline to drop destinations. Other major airlines are known to be reviewing their schedules. All face cuts in fuel supplies of about 5 per cent world-wide. British Airways has "lots of problems in lots of places," but has so far managed to keep its services intact. But in the autumn it expects its supplies to be cut further, and will have to reconsider its flight schedules for the winter. The most difficult areas for airline fuel seem to be the U.S., India and the Far East, with many flights having to make additional technical stops en route to pick up fuel. TWA said in New York that the recent price increases by the Organisation of Petroleum

Exporting Countries would help lift its total system-wide fuel bill for 1979 to \$675m (£306m), up 42 per cent on 1978. Fuel prices in the cities to be dropped from schedules, which only six months ago stood at 51 cents a U.S. gallon, were 86 cents on July 1. If the airline continued flights to the destinations now axed, it would have to buy fuel on the spot market at more than \$1.25 a gallon, "which is not economically justifiable," said Mr. Neil Effman, TWA's vice-president, planning. Many other world airlines have been obliged to buy fuel on the spot market to keep services intact. British Airways, for example, has paid up to 96 cents a gallon in some places, and reports of prices over \$1 a gallon are becoming common.

Faulty maintenance blamed for air crash

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

FAULTY maintenance procedures causing both overload and metal fatigue in the pylon engine bulkhead assembly were a major reason for the crash of the American Airlines DC-10 airliner in Chicago on May 25, according to an official report by the Federal Aviation Administration (FAA) published yesterday. At the same time, the FAA's examination of maintenance procedures used by some airlines, including American, also concluded that McDonnell Douglas, the manufacturers, "should re-evaluate the design of the entire pylon assembly to minimize design factors which are resulting in sensitive and/or critical maintenance and inspection procedures." In its recommendation, the

report said that the inspection procedures laid down by McDonnell Douglas, under which the engine and pylon are removed separately from the wing, should be rigidly adhered to and that the use of hydraulic forklift mechanisms employed by American and Continental Airlines be discontinued and replaced with a more flexible cable supported lifting device. Meanwhile it was still far from clear here when the FAA would announce its intention to restore the DC-10's airworthiness certificate, permitting the resumption of service inside the U.S. The FAA is bound to go to a federal court here 24 hours before any such action takes effect and the court may stay implementation of any FAA order.

TGWU acts swiftly against union reform

BY ALAN PIKE, LABOUR CORRESPONDENT

TRADE UNION opposition to the Government's proposal changes in labour law was swiftly confirmed at the Transport and General Workers Union conference in Scarborough yesterday. Within 24 hours of publication of the Department of Employment's working paper on proposed reforms, delegates adopted a resolution urging the TUC to mobilise maximum resistance to the measures and pledging full support for the strongest possible defence of basic trade union rights. Delegates supported an executive resolution attacking the proposed changes, after Mr. Harry Urwin, deputy general secretary, argued that the measures were designed "not to reform trade unions but to weaken union bargaining power." He warned that if the Government reduced legal protection on unfair dismissals, it must expect more industrial action to protect people. And if it was going to "rely on the policeman and the shyster lawyer," it must expect the TUC to pull out of voluntary arrangements. However, what was intended by union leaders to be an impressive demonstration of unanimity against the proposals ended in uproar as the vote on the resolution was taken. Mr. Frank Adams, a North West delegate, complained that no one had been invited to

speak against the motion. Mr. Stan Pemberton, the chairman, who first called Mr. Adams to the rostrum and was then overruled by shouting delegates, lost control of the proceedings amid noisy scenes. Mr. Urwin is chairman of the TUC Employment Policy and Organisation Committee, which will next Wednesday consider a detailed response to the Government's working document on picketing, the closed shop and financing of union ballots, published on Monday. Richard Evans writes: The Prime Minister indicated her determination yesterday to press ahead with legislation this session. Mrs. Thatcher told the Commons that the trade union reforms had been given "an absolute mandate" by the electorate. The events of last winter had shown they were needed. "I hope we will have everyone with us who believes that great powers should be matched by greater responsibilities," she added. While Labour back-benchers were in full cry against the package of reforms on secondary picketing, union ballots and the closed shop, the Opposition leadership was much more circumspect. Neither Mr. Callaghan nor any of his front bench spokesmen directly attacked the proposal. Parliament, Page 11

RCA ends talks on finance house link

By Stewart Fleming in New York

RCA, THE giant telecommunications and electronics group, and CIT Financial, the largest independent U.S. finance house, have ended the merger talks they began last week. Neither company gave any details of the reason for the breakdown. It had been suggested that the talks were moving slowly, and one possibility is that the companies could not agree on either the basic price or the package which RCA would offer CIT shareholders. RCA had made clear for several months that it was seeking a major diversification into financial services, and its announcement of discussions with CIT, which controls an insurance company as well as consumer and business finance interests, fitted this strategy. CIT had said it was not looking for a takeover but would not resist an offer which it thought fair to its shareholders. One analyst with a leading stockbroker doubted whether RCA would now launch a hostile takeover for CIT, and said that for the time being the deal was dead.

Strike ballot off as Deep Duffryn pit is reprieved

BY ROBIN REEVES, WELSH CORRESPONDENT

SOUTH WALES miners called off their threatened ballot on strike action over the closure of the Deep Duffryn colliery in Mountain Ash, Mid-Glamorgan, yesterday following a National Coal Board decision to grant the pit a conditional reprieve. The NCB's chairman follows blunt warnings by the National Union of Mine-workers, at their conference in Jersey last week, that a decision to press ahead with the closure would trigger widespread industrial action, not only in South Wales but Yorkshire, Scotland and possibly other coalfields. Miners' leaders made plain they regarded Deep Duffryn as a test case of the NUM's policy to resist pit closures except where it has been established that reserves are totally exhausted. The reprieve was announced by Mr. Emyr Williams, the

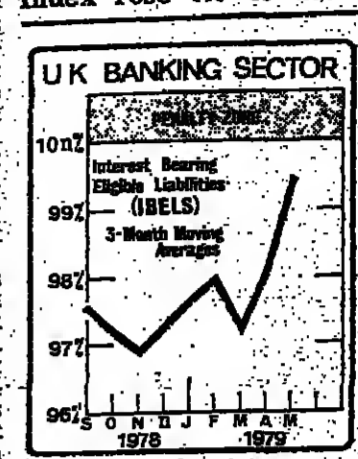
South Wales Miners' president, at a special delegates' conference in Portcawl, convened to organise the pit-bread ballot and campaign in support of the threatened colliery. Mr. Williams told the meeting the board had decided to "accept the challenge" of Deep Duffryn's 450 miners that the pit, which has lost £7m in the past five years, could be made to pay again, by opening up a new coalface. There have also been suggestions in the past few days that the Government indicated to the NCB it would prefer to see a showdown with the miners avoided. Together with the NUM, it is due to hold tripartite discussions on the industry tomorrow. The precise terms of the reprieve have still to be worked out but they involve a compromise on the NUM's original demand for investment of up to £5m.

THE LEX COLUMN

The music fades at EMI

EMI's proposed sale of a half-share in its worldwide music business to Paramount Pictures is an act of brinkmanship, performed with some panache. It brings home most forcibly the group's acute need for cash, which is obliging it to sell a chunk of its principal operating division, contributing around half group sales, at a time when the body scanner is proving a persistent drain on resources.

Index rose 7.0 to 475.7



On the other hand, EMI has got a fairly handsome price: Paramount is paying around £62m and contributing a small business of its own to the joint venture, valuing the music division of EMI at nearly 15 times the average earnings of the last three years—a fair premium considering that at present it is losing money at a rate that drags the whole group into the red. The deal also allows EMI to stay in music, whereas a more obvious asset sale—hotels, maybe, or the defence electronics side—would have meant losing an entire division. Selling the scanner, as EMI may still do unless it picks up soon, would not have brought in enough to have an effect on gearing.

The Paramount venture is the first stage of an EMI rescue act, not just an interim measure to enable the group to stagger on with its scanner losses. With a heavy tax charge in prospect as a result of unutilised U.S. losses, 1978-79 attributable earnings could be as low as 4p a share, so the shares are discounting a very considerable recovery. There may also be some hope that if the skies clear in the next three months Lord Delfont will buy the bond into declaring another uncovered dividend as a gesture of confidence, rather than passing the final payment altogether. But bravado is expensive, and last time EMI held its dividend the confidence was misplaced.

In comparison with recent profits, £62m is a very substantial sum. In 1977-78 EMI made £20m pre-tax, and in the year just ended the figure may have been up to £10m less. But set against the group's outflow of cash, Paramount's contribution looks modest. Net borrowings rose £42m in 1976-77, a further £26m in 1977-78 and £30m on top of that in the first half of 1978-79 alone. By the end of June this year the balance sheet must have looked horrifying. Unless both the scanner and the music business turn round quite quickly there will have to be more sales.

Banking figures. It had to happen some time. For three out of the last six years the clearing banks have run rings around the banking corset but, as yesterday's figures showed, two of them have finally fallen foul of the corset during the June banking month. And if they do not look lively, the whole banking system will find itself in the penalty zone in the current banking month which ends week today. During the June banking month the banks' eligible liabilities rose by 1.2 per cent and interest bearing eligible liabilities (IBELS) rose by roughly 2 per cent. No longer can the banks rely on the earlier strange buoyancy of non-interest bearing deposits to keep them out of the corset.

Paramount will gain from the joint venture a channel through which to market the music from its films and television programmes, which up until now it has been unable to exploit. However, this may not make it the ideal partner for EMI, which needs a more general repertoire of U.S. popular music. It remains to be seen how much cash Paramount will be prepared to spend to secure the expensive services of recording stars.

Yesterday the stock market took the news of the deal as evidence that the energetic Lord Delfont is wielding a new broom at EMI after less than two months as chief executive, and the shares rose 11p to 116p, giving a market capitalisation of £129m. The assumption is that

For the first time ever the banking system is having to face up to a banking corset which is actually starting to bite. The clearing banks, in particular, are feeling uncomfortable, because borrowers that cannot get funds from other financial institutions are falling back on the clearing banks. In addition, the debiting of bank charges in the current month will add to the demand for credit.

Against this, the authorities have released obligations amounting to £700m of special deposits this month and this should ease the pressure temporarily. After the last release of special deposits, the rate fell by 1 per cent in the following month. But before that the banks are going to have to cut back their lending, as is yet there is little sign that this is happening.

The next couple of months are going to be a testing period for the banks and the authorities for the authorised supply targets. Judging from the eligible liabilities, which look as if the money stock (sterling M3) grew by around 1.1 per cent last month, what means that over the last three months it has been growing at an annualised rate of 3.5 per cent plus. As the authorities conveniently omitted the last two months of the figures from their 7.11 per cent target, the banks are no warmer bells as yet. Even so, this sort of growth during a month which over £10m of debts were sold far from reassuring, and yesterday's central government borrowing requirement demand straddled public spending continues to be worryingly buoyant.

Pilkington. Making profit forecasts in the middle of pay negotiations is decidedly tricky, and Pilkington is not giving much away in its annual report. But it is clear that there are some buoyant areas, notably in the UK home improvements area, now reckoned to account for 30 per cent of the total glass sales, while foreign sales are still growing fast. Capital spending will rise from last year's £87m to around £100m and the group seems confident that it will not have to finance this but of borrowings. Given that last year net cash flow was roughly in balance with spending on fixed assets, working capital is looking happy about the short term trend. The group balance sheet remains impressively strong, with funded debt of only about a fifth of capital employed, and net cash of over £30m.

Weather

U.K. TODAY: Dry, sunny periods. London, S.E., Cent. S. England, E. Midlands, Channel Is. Sunny intervals, dry, some cloud. Max 23C (73F). Rest of England, Wales. Mainly dry, cloudy, bright intervals later. Max 19C (66F). Isle of Man, N. Ireland, N.E. and W. Scotland. Rather cloudy, sunny periods. Max 16C (61F). Best of Scotland. Dry, sunny intervals, variable cloud. Max 17C (63F). Outlook: unchanging.

Table with 4 columns: City, Day, Midday, and Night. Lists weather conditions for various cities like Agaccio, Algiers, Amst., etc.

Continued from Page 1

Rhodesia settlement hope

The Lords debate for the Government last night, said: "It is my duty to warn in the plainest possible terms that the risks attached to a premature recognition of the new Government in Salisbury would be very serious indeed." But right-wing Tory MPs are already protesting bitterly about the delay in recognising the Mugabe Government. In the Commons yesterday Sir Julian Amery, Mr. Stephen Hastings, and other back benchers, pressed the Government to accept the verdict of the Rhodesian elections and grant recognition. Arguments broke out on the Government benches as other Tory MPs stood up to support the Government's cautious line. Mr. Terence Higgins, a former Tory Treasury Minister, insisted that the present constitution

could not be the basis for a permanent settlement. "It contains a number of highly discriminatory elements," he said. Jurek Martin writes from Washington: An element of confusion surrounded the visit of Bishop Muzorewa to Washington yesterday. It was still unclear yesterday afternoon whether he would go to Camp David today to meet President Jimmy Carter. U.S. Government officials have implied that this may happen, and the Bishop has cancelled a planned lunchtime speech to the National Press Club to allow for such an eventuality, but neither the White House nor the sponsors of his tour here could say definitely that it had been arranged. Similar uncertainty even involved discussions with Mr. Cyrus Vance, the Secretary of State, though all day the state department insisted that a

session had been set up for late yesterday afternoon. Since the Bishop's visit is unofficial, the State Department declined to say what Mr. Vance would raise in the discussions. But it is considered here a strong probability that he will impress on Bishop Muzorewa the desirability of both expanding the democratic base of the current regime in Salisbury and of the need to enter into talks with leaders of the Patriotic Front. Yesterday, the Bishop conferred with the AFL-CIO, the umbrella trades union organisation, lunched with the editorial board of the Washington Post and made two appearances on Capitol Hill, arranged by his principal political sponsor here, Senator Jesse Helms, the Conservative Republican from North Carolina.

Advertisement for CRENDON steel reinforcement. Text: 'We're always putting steel in its place at CRENDON'. Includes an image of a building under construction and contact information for CRENDON CONCRETE CO. LTD.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4A 3DF. Tel: 01-253 3400 Telex: 283437